

## Capitalization of Earnings in Wartime

# The ANNALIST

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A Journal of Finance, Commerce and Economics

PUBLISHED WEEKLY BY THE NEW YORK TIMES COMPANY

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Vol. 55, No. 1411

New York, Thursday, February 1, 1940

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THE ANNALIST

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## THE BUSINESS OUTLOOK

Although the weekly business index remains well above estimated normal, steel ingot production is declining sharply and there have been further declines in new orders and unfilled orders accompanied by a further moderate increase in inventories. The trend of raw material prices is downward. In some respects the present recession is similar to the beginning of the severe recession that began in 1937, but there are also several points of dissimilarity.

THE weekly business index remained virtually unchanged last week, despite a further sharp decline in the index of steel ingot production. The decline in the steel index was offset by increases in the indices of automobile production, freight car loadings (estimated), electric power production and cotton mill activity. Extremely cold weather may have been a factor in sustaining the indices of car loadings and power production.

Most of the usually reliable near-by indications nevertheless point to the probability that we are in a business recession. Raw material prices have been weak, and our cyclical price index has shown a further decline. Non-ferrous metal sales have been low and unfilled orders have shown further shrinkage. New orders received by manufacturers, seasonally adjusted, decreased nearly 12 per cent from November to December. The decline was large enough to bring about a decline in our trimestrial moving average of the Conference Board's index (see chart at Page 102 of THE ANNALIST of Jan. 25). Manufacturers' inventories increased 3 per cent in December, although at the end of the year they were nearly 15 per cent below the previous peak on Oct. 31, 1937.

Our trimestrial moving average of engineering contracts shows a further decline. The trend of public works contracts continues downward, and there has recently been a downturn in private contracts. One result of this has been a further decline in fabricated structural steel bookings, and this has accelerated the decline in steel ingot production. It is estimated that in the week ending next Saturday the steel production index will show a further sharp decline.

There continues to be much grumbling over the disappointing volume of war orders, but the detailed figures on exports in December, just made available by the Department of Commerce, showed sharp increases in seasonally adjusted exports of manufactured goods and semi-finished products.

The present business recession offers some exciting contrasts and comparisons with the turn of events at the beginning of the 1937 recession. In 1937 The New York Times Weekly Business Index reached a cyclical peak in the week ended Aug. 14. The stock market did not reach a peak until Aug. 14. It began to decline the following week, and the fact that it began to decline before there was any definite news of a decline in the business index may be said to have constituted a few hours' warning that all was not well with the business outlook. But it would have taken a genius to put that interpretation on the market's action. Preceding the present recession, on the contrary, stock prices have now been declining for nineteen weeks after having failed to equal the November, 1938, top.

It was not until four weeks after the peak was reached in the business index in 1937 that it began to decline sharply. In that interval there were some curious irregularities. Our sensitive price index reached a peak two weeks after the business index reached its peak and did not begin to decline sharply until one week before the business index began to decline sharply. Our cyclical raw material price index in the meantime receded slowly. This is in marked contrast with the behavior of sensitive and cyclical prices this year and last. Our sensitive price index has now been declining for seventeen

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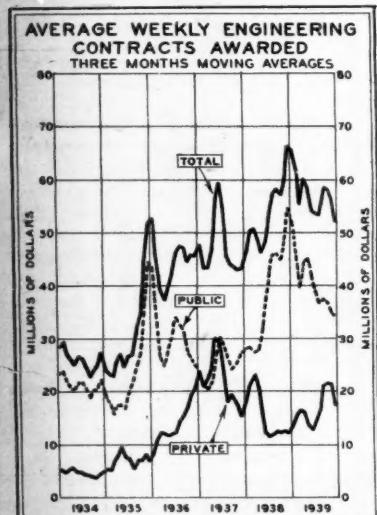
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Times Square  
New York City

1940



	Freight	Steel	Electric	Cotton	Comb.	Cyclical
	Misc. Car Loadings	Activity	Prod. Prod.	Activity Index	Business	Index, \$ Price
1939.						
Week ended:						
Feb. 4.	74.6	87.4	78.5	74.3	98.6	99.2
Dec. 9.	90.1	95.8	91.8	141.0	105.0	106.7
Dec. 16.	92.8	96.7	94.0	137.4	104.4	111.1
Dec. 23.	88.8	99.3	91.9	133.3	104.9	118.7
Dec. 30.	92.4	99.7	94.6	139.0	103.6	121.8
1940.						
Jan. 6.	85.8	97.6	89.3	133.3	105.5	115.9
Jan. 13.	87.2	100.0	91.0	129.7	105.1	112.9
Jan. 20.	86.2	95.8	89.0	123.5	105.0	108.2
Jan. 27.	...	...	91.4	117.1	105.4	113.7
Feb. 3.	...	...	*109.0	...	...	146.0

\*Estimated. †Revised. ‡Computed as of each Wednesday.



weeks, and our cyclical price index for four weeks.

In 1937, the index of miscellaneous freight loadings began to decline several weeks before the combined business index reached its peak; this has also turned out to be true of the present recession. Other car loadings turned downward before the combined index on both occasions, though the main trend was difficult to discern because of erratic fluctuations.

The index of steel ingot production reached a peak four weeks later than the 1937 peak in the combined business index. But in 1939 the peak in steel ingot production came only one week after the peak in the combined business index. In 1937, when the steel index began to decline, it declined with exceptional rapidity—namely, at the rate of 7½ points per week. Since Dec. 2, 1939, the rate of decline has been only 4 points per week. The difference is probably accounted for by the nature of the products for which the steel mills received heavy orders in the Fall of 1939. To a considerably greater extent than in 1937 the orders were for steel rails and other items of heavy equipment, the production of which is customarily spread over several months.

Electric power production remained high for four weeks after the 1937 peak

in business. It is acting similarly today. It often lags.

When we get to the automobile index we run into something. In early 1937 there were serious strikes in the automobile industry and one consequence was that automobile production continued at a high level for several weeks after other business indicators had turned downward. There is a similar situation today on account of the recent Chrysler strike. Last November automobile production was lower than it would have been if there had been no strike, but today it is higher. Never sell on strike news and never worry about the victims or strikers losing business to competitors. But never overlook the fact that the after-effects of strikes, as well as the anticipation of them, often obscure underlying trends. It is quite possible that the business recession of 1937 would have been more orderly if high production rates had not been unduly prolonged by deferred demand for automobiles.

John L. Lewis is angry because President Roosevelt has never accepted Mr. Lewis's suggestion to call a conference of business, agriculture, labor and government to solve the unemployment problem. But if Mr. Lewis would put his own back yard in order the need for such a conference, on the highly hazardous assumption that a conference would accomplish anything, would partly disappear. Instability of demand, not labor-saving machinery, is the worst breeder of unemployment. One reason consumers bought steel on the September-November bulge was that there were rumors of an impending steel strike. Now steel is bought ahead, production is declining and unemployment is increasing.

In spite of the uncertainty which the continuing effects of the Chrysler strike have provided for the automobile outlook, a straight statistical comparison of conditions now and in 1937 indicates a far better situation now than then. The bottom dropped out of the retail new-car market in October, 1937, two months after the peak in the business index. In the meantime there had been a collapse in the stock market, something we have not had in 1939-40, though stock prices have receded. It is now two months after the

November, 1939, peak in the business index, and the retail new-car market appears to be reasonably stable. Seasonally adjusted sales figures are not of much help in this comparison, for obvious reasons. A comparison of Chevrolet sales by ten-day periods with sales in the corresponding period of last year is helpful because Chevrolet was unaffected by strikes and last year car sales were in a moderate recession, so that if the percentage increases do not fall away too badly the conclusion is warranted that the market is holding much better than in 1937. The figures are shown herewith.

#### CHEVROLET RETAIL DELIVERIES BY TEN-DAY PERIODS

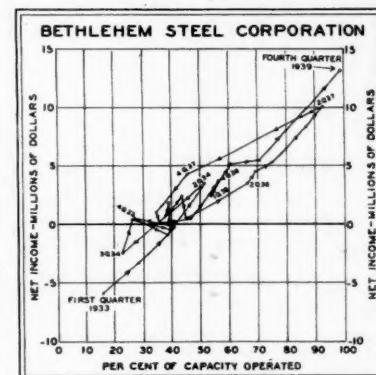
	1939.	1938.	Per Cent Increase.
November:			
First	29,693	25,927	14
Second	29,684	25,960	14
Third	30,000	25,059	20
December:			
First	30,412	23,600	29
Second	31,034	20,535	51
Third	27,432	22,697	21
January:			
1940.	1939.		
First	22,067	15,018	47
Second	25,226	15,405	37

Quite clearly, the business recession has not yet affected the automobile new-car market to any appreciable extent, although a severe decline in the stock market might do so. The danger of a severe decline in stock prices, however, is probably diminished by the circumstance that the market refused to follow the expansion in industrial production and business activity on the recent bulge. As explained by John Howard Lewis in an address to the New York Chapter of the American Statistical Association, printed in this issue of *THE ANNALIST*, wartime corporation earnings are capitalized lower than peacetime earnings, in which case it is sound to compare the present level of the industrial market averages with the business activity index on the basis of their normal relationship in the period 1934-38. Just for the sake of orienting ourselves very approximately, however, and recognizing that after all domestic conditions are still bound for some time to be the determining factor in the business outlook, it is perhaps permissible to point out that, on the basis of the 1934-38 normal relationship between stock prices and business, the recent decline in the stock market would apparently be discounting a level of about 90 for *The Annalist* Index

of Business Activity, which, of course, is far below its present level. Consequently, even allowing for the lower capitalization of earnings in wartime, the danger of a severe break in the stock market seems less than it was in 1937. If that is correct, the danger of a wave of retrenchment on the part of the public, involving drastic curtailment of purchases of new cars and other durable consumers' goods, is less than it was in 1937.

Mr. Lewis's conclusions with respect to wartime capitalization of earnings are so soundly based that no one would venture to disagree with them without first making some pretty thorough studies. One wonders, however, whether an important factor in the lower capitalization in the World War was not the sudden rise in wage rates, the inefficiency of wartime operations and other factors tending to cause apprehension over further increases in operating expenses. One wonders whether these cost factors are likely to increase in the near future to anything like the extent that they did in the World War. In the fourth quarter the Bethlehem Steel Corporation operated at nearly 98 per cent of capacity, but its earning power, despite the decision of the industry not to raise finished steel prices and despite a high level of wage rates, was greater than ever, suggesting a degree of operating efficiency that might tend to make less drastic the necessity for scaling down the probable price-earnings ratio for companies similarly situated, so far as we can see into the future.

D. W. ELLSWORTH.



Vol. 55

No. 1411

**The ANNALIST**

Reg. U. S. Pat. Off.

Feb. 1  
1940

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THE ANNALIST—Published Weekly by The New York Times Company, Times Square, New York City. Telephone Lackawanna 4-1000. Subscriptions may be placed at any Branch Office of The New York Times. In United States, 1 Year, \$7.00; Canada, Mexico, South and Central America (postpaid), 1 Year, \$7.50. Other countries (postpaid), \$9.00. Entered as second-class matter March 21, 1914, at the Postoffice of New York, N. Y., under Act of March 3, 1879.

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# Stock Market and Business Prospects: Speculation No Longer Sustains Recovery

By JAMES F. HUGHES\*

FOR more than a century the most important steps in the sequence of financial developments leading to sustained business prosperity were the continued advance in stock prices and the increased volume of new issues of corporate securities. It was these periods of speculative and investment interest in equities that were primarily responsible for corporate expansion of productive facilities. This type of business spending for self-liquidating capital equipment produced general prosperity and added to the real wealth of the nation. To the extent that such prosperity was financed by equity capital, the increased future productivity of the country was freed from the burden of previously created debt. This was the way venture capital and speculation built up a nation rich enough to support the New Deal for seven years.

Unfortunately, the New Deal, in a shortsighted attempt to make political capital out of 1928 and 1929, entirely overlooked the historic role of speculation and venture capital over the many decades prior to 1928. Speculation in the stock market was legislated out of existence and this combined with politically attractive but economically unsound policies of taxation has dried up the flow of venture capital from a broad stream to a tiny trickle. Taxation and other New Deal policies and attitudes contribute to the stagnation in the flow of private capital into productive enterprise; but all these other factors tend merely to accentuate the fundamental difficulty that is found in the technical helplessness of the stock market, the ultimate home of venture capital.

### Stock Market May Drag Business Down

These generalizations bring us to the practical problem of the stock market in relation to business prospects for 1940. The general economic recovery since the Spring of 1938 has reached the point where increased speculative interest in the stock market and a definite pick-up in the volume of new corporate issues are absolutely essential for any sustained period of business prosperity. But stock market regulation has mangled the mechanism that in the past stimulated speculative interest and produced increased corporate issues. The realistic economic forecast for 1940 is that the stock market will drag business activity down instead of business activity dragging the stock market higher.

At the present time this isn't really a forecast. It is more in the nature of a report on trends that have been in operation for some time. Most of the popular stock market averages show a high level for November, 1938, that has not since been exceeded. The total of new corporate security issues was lower in 1939 than in 1938. The second half of 1939 was sharply lower than the first half and while there may be some increase in new issues from recent low levels the action of the financial markets does not permit a confident forecast of any great improvement in the situation.

As things stand at this juncture the sequence of financial events shows a stock market top in November, 1938, a bond market peak in June, 1939, and a pronounced decline in the volume of new corporate issues. On the basis of typical past experience a peak in the bond market seven months after a stock market top is an economic anachronism, but the strangest development of all is the continuation of a favorable short-term credit trend right to the final month of 1939, six months beyond the practical peak of

high-grade bond prices and thirteen months after the maximum level attained by leading stock averages.

### New Trading Technique Required

In view of these utterly unprecedented relationships it is easy to understand why financial observers in general have clung to the viewpoint that the stock market would ultimately shake off its lethargy, penetrate the long-standing 1938 high and contribute as in the past to further extension of the business recovery. The only thing that this viewpoint overlooks is that the stock market is no longer a dynamic mechanism capable of making any positive contribution to general economic recovery. With the elimination of constructive speculative activities, the stock market has been converted into a passive instrument that records, in relatively brief spurts, the hopes and fears, the celebrations and disappointments of the investment world.

This change has resulted in some queer and awe-inspiring stock market convulsions in recent years. It necessitates the formulation of an entirely new trading technique for people who are not interested in buying stocks for investment income, or for people whose hearts are not strong enough to withstand the sudden gyrations when investors get excited, or whose patience is not sufficient to accept with equanimity the long drab periods of market inaction when investors aren't excited about anything. This new trading technique demands that the unregenerate but passive speculator forget everything that he ever knew about the old-fashioned economic relationships of the stock market and concentrate entirely on the changes at critical points in investment opinion regarding the business outlook.

### Institutional Investors

The most important thing that has happened to the stock market in recent years is the elevation to a dominating position of the institutional investors, primarily investment trusts and investment counselors. This is not entirely the result of regulation, although regulation has tended to increase the relative influence of institutional investors by reducing the volume of individual speculation.

In any event, the net results of the growth in importance of institutional investors and the elimination of dynamic speculative operations is that in extremely brief periods of time and on relatively much smaller volume of trading the market can travel faster than it ever did before. These concentrated stampedes by the market are primarily the result of institutional investors competing with each other in a mass movement growing out of a change in herd psychology.

Most institutional investors play around with 10 to 25 per cent of their stock holdings. They all have competent research organizations thinking in general along the same lines about material that for the most part is available to all of them. Relatively little serious attention is paid to timing methods based on financial and technical factors. But millions of dollars in the aggregate are spent for research covering the general business situation, the important industries and individual corporations. The Federal Reserve System's index of industrial production has been elevated to the role of a major deity and the greater portion of the actual operations of institutional investors in recent years has been associated with changes of

trend in that index. Under these conditions it is only natural that in most instances the institutional investors will be raising their 10 to 25 per cent cash or turning this cash back into stocks at about the same time.

### Three Market Stampedes

In the past eighteen months the institutional investors have staged three buying stampedes with results that have been unique in the technical history of the stock market. Responding to the same stimulus, they have acted with commendable speed and in amazingly short periods of time have exhausted their cash and, unfortunately, the market also. The reason for this is that in the market mechanism as now constituted here is no buying power sufficiently dynamic to carry on from where the institutional investors stop.

It must be conceded, of course, that in the brief periods when the institutional investors are actively buying in competition with one another and with the speculators and investors of all other categories, plenty happens to the stock market. The following table summarizes the results in the Dow-Jones industrial average of the three wildest stampedes staged during the past two years:

	Number of Days.	Points Gained.	Per Cent Gained.	Traded for Each 1% Gained
June-July, 1938	12	25	22%	1.0
Sept.-Oct., 1938	14	22½	17%	1.3
Sept., 1939.....	9	21½	16%	1.9

Analysis of the above record shows that in these three stampedes, embracing a total of thirty-five trading days, the average gained 69 points as compared with a maximum net gain of 60 points for the bull market that started in the Spring of 1938. By the end of 1939 this bull market had consumed 526 trading sessions, although 35 days accounted for more than the net gain over the whole period. This means that the remaining 491 trading days were devoted to reactions following the wild stampedes, to normal technical recoveries from these reactions and to just aimless churning gyrations signifying nothing.

### Worse Than New Era Stampedes

One of the aims of the Securities and Exchange Act of 1934, as mentioned in the preamble, was to prevent sudden and unreasonable fluctuations in stock prices. In this connection it is interesting to note that these three concentrated investment stampedes produced greater percentage changes in average price levels, in shorter periods of time and on much smaller volume of trading, than anything witnessed during the wild speculation of the New Era.

In an attempt to set up a basis for comparison of market moves the following examples of fairly concentrated 18 to 22 per cent advances during the New Era are presented:

	Number of Days.	Per Cent Gained.	Traded for Each 1% Gained
12/ 8/28-1/ 2/29....	20	19%	3.6
5/ 27/29-7/ 8/29....	35	18%	5.8
5/ 20/26-8/ 3/26....	61	19%	4.7
3/ 31/25-8/ 15/25....	116	22%	6.6

The first two rallies listed started out as technical rebounds from the low days of important intermediate declines and were carried along by the speculative hysteria raging during the final year of the New Era boom. Despite great technical, fundamental and psychological advantages over

the June-July, 1938, investment stampede, they fell far short of the twelve-day record established by our minutely regulated market.

These comparisons are not offered to prove that regulation produces thin markets, lacking in liquidity. Highly abstract and theoretical discussions of liquidity can be left to the heavy-duty thinkers in government and academic circles. What these comparisons do prove is that regulation has not succeeded in eliminating sudden and unreasonable price fluctuations in the stock market. Regulation and the operating technique of institutional investors have combined to create a type of market that, thin or fat, provides the wildest short-swing fluctuations in speculative history.

### New Methods of Speculation

This new type of investment market requires a change in speculative methods. With the exception of those relatively infrequent periods when the long-range investment outlook is 100 per cent favorable, speculators must concentrate on the necessity of being one jump ahead of the investment stampedes. As soon as one of these stampedes has run its brief course the speculator must turn bearish. He must then wait for the institutional investors to become discouraged because of the inability of the market in general to advance much beyond the point where their concentrated buying pushed it.

Unless the whole world is at peace and bullish on the American stock market, the speculator, after one of these wild investment stampedes, must continue patiently bearish until the institutional investors have again accumulated enough cash to pay for another ride on the roller coaster. He must guard against the naive belief that the market in general will advance because business activity is showing substantial improvement. The mass stampede of the investment herd is the only dynamic force left in the stock market. When the stampede has run its course the market is exhausted and technically impotent. There is nothing for it to do but flutter around aimlessly while waiting for the next period of investment discouragement.

With the present operating mechanism of the financial markets these periods of investment discouragement will alternate pretty regularly with spurts of investment elation. These spurts of investment elation will usually coincide with and encourage similar spurts in business activity. However, the quick exhaustion of the stock market after a brief but sensational investment stampede works against the building up of any broad interest in equities. Under these conditions it is extremely difficult to distribute new stock issues. Industrial activity, therefore, loses the support of any sustained flow of new money into business enterprise. Consequently, within a few months the industrial spurt begins to falter, institutional investors become discouraged, start to raise some cash, and the resultant disproportionate decline in the stock market contributes impetus to the relapse in industrial activity. And at this point, the patient speculator who understands the new routine can get ready for another ride on the carousel that goes around and around but really isn't going anywhere.

### The New vs. the Old Technique

The principal reason why the stock market behaved differently prior to regulation was that professional speculators followed the technique of finding the line of least resistance in the general market and in individual issues. Whether they

\*An address at the New York Chapter of the American Statistical Association, Jan. 23, 1940.

# The Capitalization of Earnings in Wartime

By JOHN HOWARD LEWIS\*

**T**HE pre-eminent factor in the market places today is war. One's reasoning on market trends, investment policies and the proper price levels for individual stocks must start with that fact and follow through its various implications. So the forward-looking investor seeking preservation of his capital or appreciation should adopt policies today based on discouraging assumptions as to the implications of this present war. He will assume that this war will be long—i. e., possibly one to three years; that we ultimately will be dragged into it, or some other war; that war taxes will be imposed here, and that the world-wide trend toward dictatorships will be greatly accelerated even in this country. It may be, conceivably, that all of these assumptions will be wrong, but the investor who readjusts his common stock commitments on the basis of such probable or possible pessimistic viewpoints will be steering not only the safest course but also that most likely to preserve at least his capital.

The above four assumptions—viz., a long war, our active participation, war taxes in the United States and a rather rapid world-wide political trend toward dictatorships—present too many problems for adequate treatment here. It is taken for granted that the average investor will want a certain percentage of his funds in common stocks during the uncertain times ahead. This paper confines itself largely to a review of how earnings were capitalized in the last World War, shows market action of the various stock groups for that period, derives a general method for determining the possible maximum market prices for common stocks in wartime, and, incidentally, impresses one with the difficulties of investing profitably during a world war. If a hit-or-miss choice of shares is to be avoided, the experience of the past must be weighed carefully to determine whether certain broad rules-of-thumb are available. This has been attempted with the obviously open reservation that dissimilarities between the 1914-1918 period and the present must be given their due importance where modification is obviously demanded.

#### "Cheapness" of Stocks Misleading

Much has been written and said in recent months about the cheapness of common stocks relative to earnings and the general business level. Such comparisons are largely or entirely erroneous. Wartime price-earnings ratios cannot be legitimately contrasted with those of peacetime. In the low prices of many stocks today relative to their projected annual earnings we are simply witnessing the reappearance of a wartime phenomenon amply evidenced in the last World War.

Information on price and earnings performance for the entire 1914-1918 period is not plentiful. However, a fairly representative list of 110 common shares has been taken for purposes of our analysis.

First, let us look at price performance. We take the 1914 mean price, which appears as the logical base. Distortion would arise if, for instance, the 1914 lowest prices were taken. As a measure of performance throughout the war period, including, of course, those months when this nation was involved in the conflict, we can compare the 1914 mean price with the 1917 lowest price and the 1918 highest price. This gives us a spread between the poorest and the best performance over the full war span.

Of the 110 issues in our study, 47 registered price declines from their 1914 mean

prices to the 1917 lows, and 28 suffered price losses from their 1914 mean to the 1918 highest. Thus, from the 1914 mean to the 1917 low, some 43 per cent of the shares considered lost ground, and from the 1914 mean to the 1918 highest, about 24 per cent showed price declines. We can conclude at once that a goodly percentage of shares do not advance during a war period. While over the 1914-18 period, the highly selective Dow-Jones industrial average advanced vigorously (the 1914 mean of 55 comparing with the 1917 low of 66 and the 1918 high of 89), at the same time the Dow-Jones railroad average fell from its 1914 mean price of 100 to the 1917 low of 71, and even the 1918 high of 93 was 7 per cent below the 1914 mean level. The Cowles Commission indices show an even more unsatisfactory performance. The Cowles index of all stocks on the New York Stock Exchange, for example, declined 16 per cent from 1914 to the 1917 low, and showed no change from 1914 to the 1918 highest level. The Cowles index of industrial shares, at its 1917 lowest, was up only 8 per cent from 1914 mean levels, and at its 1918 high point, was up only 33 per cent from 1914. The Cowles indices of both railroad and utility shares were lower than in 1914, both in 1917 and in 1918.

#### 1914-18 Gains Selective

The important price gains of 1914-18 were in highly selective groups, and issues within groups. In the broader sense, purchases in 1914 should have been confined to the industrial shares, excluding railroad issues and utilities. Let us note here that the numerous price declines witnessed in the 1914-18 period were not usually a reflection of lower earnings: of the individual issues covered, only two instances of price declines were accompanied by earnings declines.

Breaking down the total of 110 shares into the general classification of consumers' goods (and we include building stocks in this group) and producers' goods (including the war babies) we find that 34 per cent of the 65 consumers' goods shares declined from their 1914 mean price to their 1918 highest price, while of the 45 producers' goods shares only 9 per cent declined. Hence, we conclude that producers' goods shares fared better than the consumers' goods issues.

This belief is further cemented by a consideration of those shares which suffered actual earnings declines in the 1914-17-18 years. In almost every instance, earnings declines were accompanied by some advance in share prices. Of the 110 stocks, 13 showed earnings declines from 1914 to 1917; all were in the consumers' goods group. From 1914 to 1918, 14 of the 110 stocks registered earnings losses; only 2 of these 14 were in the producers' goods groups.

Producers' goods shares, including steel, farm and railway equipments, oils, hide and leather producers, sugars, coppers, certain textiles, paper shares, munitions and machine tools—these were among the groups showing the better price and earnings performances.

Roughly speaking, earnings for all stocks on the New York Stock Exchange for which earnings were available, increased 200 per cent from 1914 to 1916, 150 per cent from 1914 to 1917, and 100 per cent from 1914 to 1918. However, the percentage earnings gains varied considerably between groups: for instance, the gain percentagewise from 1914 to 1918 for the industrials was 175 per cent; for the railroads, 55 per cent. Utility earnings suffered a 25 per cent loss from 1914 to 1918.

In the relationship between prices for common shares and earnings on common shares, one question centers on whether the price-earnings ratio was much the same in 1914 as between producers' goods shares and consumers' goods issues, and whether this relationship changed over the 1914-18 period, and if so, to the advantage of either major group?

#### Price-Earnings Ratios Fell

In 1914 the 110 stocks sold at a median price-earnings ratio of 10.3; in 1917 (at the lows for the year) at 5.4 times earnings, and in 1918 (at their highest for the year) at 7.5 times earnings. Comparing the 1914 average price-earnings ratio with the 1917 low price-earnings ratio, we note almost a 50 per cent drop in the ratio; with the 1918 high price-earnings ratio, a fall of about 25 per cent. The war, therefore, contracted price-earnings ratios for these 110 stocks as a whole by from 25 per cent to 50 per cent. It should be noted here that the declines in price-earnings ratios tended to be much less in those instances where earnings declined; in fact, in some such cases, there was a rise in the ratio. It was the abnormal gains in earnings which the market refused to capitalize at anything like a normal rate.

Did consumers' goods shares sell at a higher price-earnings ratio than producers' goods shares, and did the producers' goods group ratio fall more sharply than the consumers' goods group ratio? We find that the 1914 price-earnings ratio for consumers' goods shares was 10.9, and for producers' goods shares 9.4, producers' goods shares thus selling at a moderately lower times-earnings basis at the outset of the war. In 1917 producers' goods shares still remained at a moderately lower times-earnings basis than consumers' goods shares, although the fall in both ratios from 1914 to 1917 was about the same percentagewise. Thus, the price-earnings ratio for both groups fluctuated about the same, percentagewise, over the war period, with producers' goods shares getting slightly the better of it.

One method for estimating future common share price levels is suggested by this study—to apply to estimates of 1940 earnings a price ratio of one-half of the 1938 price-earnings ratio for each stock. This would give a conservative market value under wartime conditions. It should be emphasized, however, that such a general method would be badly out of line in individual instances.

#### A Suggested Approach

Another approach in attempting to value common stocks in wartime is the ratio at which earnings increases (where earnings did increase) were capitalized in the open market by price increases. For instance, in the period from 1914 to 1917, we find out of 65 consumer goods shares, some 17, or 26 per cent of the total, which enjoyed both share price and share earnings increases. The price-earnings ratio of this group was 10.9 in 1914. But earnings increases from 1914 to 1917 were capitalized, on the average (median) only 1.2 times in terms of share price appreciation. In the same 1914-17 period, out of 45 producers' goods issues, 35, or roughly 80 per cent, capitalized increased earnings at 1.8 times in the market-place, as against their 1914 times-earnings ratio of 9.4 times.

Thus, from the experience of consumers' goods shares which showed earnings increases, such gains were capitalized from 1.2 times to 2.2 times in price appreciation; for producers' goods, the capitalization range was somewhat higher, that is,

earnings increases were capitalized in the stock market from 1.8 times to 3.8 times. It appears that wartime earnings (as represented by earnings increases from 1914 peacetime earnings) were capitalized at only from 10 per cent to 30 per cent of the peacetime price-earnings ratio, or at slightly more than 1 to nearly 4 times, as against the peacetime ratios of about 9 to 11 times earnings.

Although it might be thought that stocks selling in 1914 at a high price-earnings ratio enjoyed a greater capitalization of earnings increases than stocks selling in 1914 at a low ratio, the facts seem to indicate the opposite. Out of the group of 110 stocks there was a tendency for stocks selling at a low price-earnings basis in 1914 to have earnings increases capitalized at a greater rate than did stocks selling at a high times-earnings basis. This is naturally important, because it suggests that under wartime conditions the increased-earnings capitalization ratio average of some 3.0 times is likely to prevail on the average, irrespective of the ratio of price to earnings at the outset of hostilities.

If we accept, therefore, the premise that increased earnings of both producers' and consumers' goods shares in times of a major European war will be capitalized on the average some 3.0 times in the stock market, and that producers' goods issues on the whole will fare better because their earnings will increase the most, there remains to consider the practical application of the ratio.

#### An Example

In analyzing the capitalization of increased earnings in the last war we started off with a mean price for 1914, and now, in applying the experience of that period to the present situation, it is also necessary to start off with a price. It might well be the average price for 1938—the last pre-war year—or an average price for the past three years. If we use Atlas Powder, a typical war baby, for an example, its 1938 mean price was \$52.

In 1938 Atlas earned \$2.69 per share. In order to attain a rough perspective of the possible maximum price which the stock might attain we come to the problem of estimating maximum earnings per share for Atlas Powder. For industries no longer in a dynamic growth phase—and this means most of them—we can take the peak-year earnings since 1914 (earnings before taxes should be taken) as a measuring rod. Then we apply to these earnings probable war taxes. There we have a choice. If we take from the peak year earnings of Atlas taxes levied at our 1918 war rates, retainable net stands at \$8.80 per share; if we apply the present English war tax rates, retainable net stands at \$6.97 per share, and if we apply Canadian war taxes, retainable net becomes \$15.25 per share. An average of all three tax rates applied to the peak earnings since 1914 would give us a retainable net for Atlas Powder of \$10.34 per share.

To find the maximum estimated earnings increase subtract 1938 earnings (\$2.69 per share) first from the lowest retainable net at peak earnings under the three tax systems considered (\$6.97 per share), and second the highest retainable net (\$15.25). The result is a maximum earnings increase per share ranging from \$4.28 to \$12.56.

Finally, we multiply the maximum earnings-increase by the capitalization ratio, 3, and add the product to the 1938 mean price for Atlas Powder. Thus we find the calculated maximum price to range from \$60.56 to \$89.68, depending, as aforesaid, on which tax rate is assumed to be operative. On the basis of averaging all three tax rates, the indicated maxi-

\*An address before the New York chapter of the American Statistical Association, Jan. 22, 1940.

mum price would be \$75. And this, by the way, compares with the 1939 high of \$71 and the present level of \$65.

#### Some Other Stocks

If we take peak earnings before taxes since 1914 and deduct an average of English, Canadian and United States 1918 war rate taxes, we find the indicated maximum price for General Motors to be about \$46; for United States Steel, \$92; for International Harvester, \$62; for Hercules Powder, \$89; the maximum price of others would include \$70 for Kennecott Copper, \$70 for United Fruit, \$47 for International Nickel, \$45 for United States Rubber, and so on. Employment of this method on our list of 110 issues indicates, therefore, the presence of a highly selective market situation in which many shares may have already discounted much of an advance in wartime earnings. In the cases cited of General Motors, International Harvester and United States Steel, for instance, it would appear that both General Motors and International Harvester are adequately priced in so far as this method of approach is adequate, while United States Steel, currently selling around \$60 per share, is quite a bit below its \$92 estimated maximum. Granting that application of the average three-times-earnings-increase capitalization rate will in some instances understate and in others overstate the case, this method at least offers the investor something to use as a working base in a period of great uncertainty.

It is, however, always advisable to check the performance of the individual stock in the last war period before arriving at any conclusion based on the average three-times rate of capitalizing the increase in per share earnings. Thus from 1914 to 1918 General Motors' increased earnings were capitalized nineteen times in price. This was very much greater than the three-times average and strongly suggests that a maximum price estimate based on a three-times ratio may be too conservative. Likewise, from 1914 to 1918, International Harvester capitalized increased earnings thirteen times, which would indicate that conclusions from the application of the three-times ratio may be understating price appreciation possibilities. On the other hand, United States Steel capitalized increased earnings from 1914 to 1918 at less than three times (2.6 times to be exact), and so the estimated maximum of \$92 per share is probably not a large understatement. Thus, while the application of the average earnings increase capitalization ratio has considerable merit as a starting point, the results in any particular instance should not be accepted without reference to the individual price and earnings performance over the 1914-18 period, the company's growth trend, popularity of the stock, etc., and without reference to all the factors domestic and international, affecting currently the particular stock.

#### Aircraft Stocks Not "Cheap"

The aircrafts represent a very special case. There is, of course, nothing to go by in the 1914-18 period. Since they are now in a so-called dynamic phase, it might be supposed that increases in earnings, during a war involving the United States, would be capitalized at a rate higher than the average three times. We cannot, however, estimate maximum earnings from a past peak year. But maximum earnings might be figured by allocating to plant square-foot capacity an annual gross output of \$54 for airplanes and \$46 per square foot for engines and propellers. Now, profits on maximum gross will be limited, and if we figure on them being held to 10 per cent over an extended period, that is probably optimistic. But with profits limited only to 10 per cent and war taxes applied, maximum earnings will be sharply reduced

from current annual rates. Douglas, for instance, should earn no more than \$5.67 per share; this compares with 1938 earnings of \$3.76 per share. The mean 1938 price for Douglas was \$56 per share. So if we capitalize the maximum estimated earnings increase of \$1.91 three times, and add this to \$56, we arrive at \$61.75 as a maximum in wartime. If we go to the extreme and assume earnings gains will be capitalized at a high ratio of twenty times, similar to General Motors in the last war, we get an estimated maximum of \$94 per share for Douglas common. This contrasts with the 1938 high of \$87.75 and the present level around \$78. Douglas is representative of the better aircrafts, and one is bound to conclude on the basis of the test applied that the present level is not cheap for holding when this country is at war.

Considerable price variation in the 1914-18 performance is apparent as between groups. From the 1914 average price to the 1918 highest price eight out of ten railroad stocks declined, although in only two instances was the price decline accompanied by an earnings decline. For two out of ten railroad stocks, earnings gains were capitalized modestly at less than one times. So railroad shares were not a profitable holding through the last war period. As for the present war, of course, second and third grade railroad bonds which are in many cases equities may do well over the coming period.

Out of twelve utility stocks, seven or more than half showed earnings declines from 1914 through 1918; in one case, price declined while earnings advanced; in the remaining four cases, earnings increases were capitalized on the average at 4.0 times. Excepting the gas stocks, utilities were unattractive for holding in the last war.

Food shares turned in an average war performance. Of six considered in the 1914-1918 period, only one declined in price in the face of advancing earnings;

the other five capitalized increased earnings three times—an average showing.

Tobaccos fared poorly. Out of six, one suffered both an earnings and price decline from 1914 through 1918; three others fell in price although earnings advanced. The remaining two capitalized earnings increases at a high rate, but the actual gain in earnings was not sizable enough to result in a large market advance.

Of eight oil companies considered, there were only two instances of a price decline from 1914 to 1918. In the other six cases, increased earnings were capitalized four times, on the average. Earnings themselves advanced substantially, and as a consequence share prices showed good-sized gains. The oils were a satisfactory group for investor participation in the last war period.

Most of the railroad equipment companies engaged in war activities. This group enjoyed a substantial volume of wartime earnings after taxes. Of eight issues considered, only two fell in price from 1914 to 1918, the rest advancing. Earnings gains were capitalized at the average rate of three times. Most share prices more than doubled from the 1914 average to their 1918 highs. It will be observed that even in those groups benefiting most from war activities, the individual management factor was present. So the investor must still exercise care in selecting issues within the favored groups.

#### Textiles

In the case of such textiles as American Woolen and Pacific Mills, huge earnings additions from 1914 to 1918 were modestly capitalized. The \$47 gain in 1918 earnings of American Woolen was matched by a \$44 advance in price—that is, earnings gain was capitalized at not quite one times. When a company with unstable or small peacetime earnings runs into high wartime earnings, there is a tendency for the market to capitalize the earnings gain

at a small ratio and below the average; on the other hand, companies with fairly stable earnings in peacetime or wartime will not suffer so great a decline in their price-earnings ratio, although naturally a fair-sized decline is to be expected.

In the hide and leather group, American Hide and Leather had a \$7 deficit in 1914, and earned \$7 in 1918—a \$14 gain. The average price for the common in 1914 was \$4 per share, and the 1918 highest was \$22 per share—an increase of \$18 per share, a trifle more than one times the earnings advance.

Another group where the same tendency as noted in textiles and leathers may be found is the sugars. Only one out of seven sugar shares suffered in earnings decline from 1914 to 1918. Such stocks as Central Aguirre, Fajardo and South Porto Rico enjoyed sizable earnings increases, which were capitalized at less than the average ratio of 3 times in the market.

A similar experience marked the munitions and machine-tool shares. The investor in wartime, however, should be less concerned with whether a given group tends to capitalize earnings gains at less than the average rate than whether to buy into situations promising large earnings increases. From the experience of the last war, selected investments in the commodity producing groups, as oils, hide and leather, sugars, certain textiles, copers, paper, etc., were among the most profitable. Oil shares, for instance, advanced 50 per cent to 100 per cent; hide and leather shares from 1914 to the 1918 highs were up 150 per cent to 350 per cent; sugars varied, the gains ranging widely from less than 10 per cent to over 400 per cent; textiles advanced 50 per cent to 250 per cent. Copper shares showed gains of 40 per cent to 150 per cent.

Electrical equipment shares showed a fair gain in earnings, but the earnings gain was capitalized at less than the aver-

*Continued on Page 222*

#### NOTICE

#### NOTICE

#### NOTICE

## The Boston and Maine Plan of Exchange Affects ALL Boston and Maine Bonds

#### Do You Own Any of These B & M Bonds?

4%, Aug. 1, 1942;
4 1/2%, Jan. 1, 1944;
3%, July 1, 1950;
Connecticut River R. R.
4%, Sept. 1, 1943;
SERIES
Q 5%, Feb. 2, 1940;
R 5%, May 1, 1940;
S 5%, Sept. 1, 1940;
T 5%, Sept. 1, 1941;
U 5%, Nov. 1, 1941;
V 5%, Mar. 1, 1942;
W 5%, Apr. 1, 1942;
X 5%, July 1, 1943;
Y 5%, Jan. 1, 1943;
Z 5%, May 1, 1943;
AA 5%, Apr. 1, 1944;
BB 5%, Apr. 1, 1944;
CC 5%, Jan. 1, 1945;
DD 5%, June 1, 1945;
EE 5%, Jan. 1, 1946;
FF 5%, Jan. 1, 1947;
GG 5%, Apr. 1, 1947;
II 5%, May 1, 1955;
JJ 4 1/2%, Apr. 1, 1961;
KK 5%, Mar. 1, 1952;
LL 6%, June 1, 1962;
MM 5%, Apr. 1, 1956;
NN 3%, July 1, 1949;
and
AC 5%, Sept. 1, 1967.

It should be clearly understood that no Boston and Maine Railroad Bonds are exempted from the provisions of the Plan of Exchange dated December 15, 1939. All Bondholders owning the obligations listed herewith are affected by the present financial condition of the Railroad. It is essential that every Bondholder, if he desires to accomplish the purpose of the Plan by voluntary action, respond at once with his assent.

Each assenting Bondholder will receive, if the Plan is consummated, in exchange for each \$1000 principal amount of his bonds (accompanied by all claims for unpaid interest) two bonds: (1) \$500 new First Mortgage Bonds, Series RR, 4%, due 1960, and (2) \$500 new Income Mortgage Bonds, Series A, 4 1/2% due 1970.

Instead of taking First Mortgage Bonds the Bondholders may elect to take cash. The Railroad will have available for use for this purpose \$26,000,000, and this sum will be prorated among all Bondholders who elect to take cash. The minimum amount of cash for each \$1000 bond will be \$250 (in which case the holder will also receive \$250 First Mortgage Bonds and \$500 Income Mortgage Bonds) and the maximum will be \$500 in cash (in which case the holder will also receive \$500 Income Mortgage Bonds). Thus, to the extent that cash is increased beyond \$250, the amount of First Mortgage Bonds will be reduced correspondingly below \$250.

We provide a request blank below for the convenience of Bondholders who may not have received copies of the Plan. If you are a Bondholder and have not read the Plan, it is in your interest to request a copy at once, or if you desire further explanation we will be glad to have a representative of the Railroad call on you.

JANUARY 22, 1940  
E. S. FRENCH, President  
BOSTON AND MAINE RAILROAD

Boston and Maine Railroad  
Boston, Massachusetts  
Please send me a copy of the Boston and Maine Railroad Plan of Exchange dated December 15, 1939.

I am a holder of mortgage bonds  
of the principal amount of  
Please have a representative of  
the Railroad call on me.

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_

# British Mobilization of Foreign Assets More Drastic Than That of the French

By ERNEST C. STIEFEL (New York)

Member of the British Bar (London); Licencié en Droit (Paris)

**T**HE common finance front organized by Great Britain and France proves to be a coordination and pooling of industrial and commercial resources which seldom have been contemplated by independent nations. In view of the scope and imagination displayed by the Allied scheme, one is tempted to believe that this coordination is in practice implemented by more or less identical measures enacted by both governments. There are a number of regulations, for example, effecting blockade and import and export restrictions, which clearly show the practical repercussions of this new entente. It must be kept in mind, however, that there are subjects upon which cooperation finds itself restricted to a mere matter of effort and of high policy rather than a matter of visible synchronization. This is because of the profound economic differences between the two countries. It explains the striking lack of unity characterizing the mobilization of foreign assets in France\* on the one hand and in Great Britain on the other.

French commerce differs from British trade primarily because French commerce is far better balanced and self-sufficient than that of any other of the great European powers. France's dependence on foreign supplies is negligible as compared with that of the United Kingdom. Unlike her ally, the importance of exports and the extenuation of imports has, from the outbreak of war, led Great Britain to much more draconic actions than the corresponding measures taken in France. The alarming spasm of weakness in the British balance of trade during September and October has happily proven short-lived, but its effect was to arouse the general public to the necessity and need for fostering export trade.

Secondly, the British financial position is different today from that in 1913. Then Great Britain had a favorable balance of payments. After taking into account both visible and invisible exports of 207,000,000 pounds sterling, in 1938 Great Britain had an adverse balance of 55,000,000 pounds. A great part of the holdings of foreign securities is expressed in sterling investments which cannot give the particular foreign currencies that Great Britain requires, or which find no ready market outside the United Kingdom at the present time. Therefore it is thoroughly realized that command of foreign exchange is the keystone of British economic efforts during the war.

Finally, it must be remembered that the floating money which sought refuge from Great Britain overseas and particularly in this country has reached dimensions in no way comparable to that coming from France. There is little doubt that the steady and "traditional growth of Britain's investments was not maintained after 1931" (Sir Robert Kindersley).

Available estimates on government statistics indicate some \$4,000,000,000 of

\*See "French Government's Mobilization of Foreign Assets: Trend of Recent Decrees," by Ernest C. Stiefel, The Annalist, Dec. 14, 1939.

The measures are wound up in a network of rules, through which one has to make one's way in order to know whether a transaction is prohibited or not. The first of such regulations was issued on the 25th of August. They were revoked and superseded by a later order of Sept. 3 and there was a later order of Sept. 21. As things stand now, all finance regulations are embodied in an order of Nov. 23 superseding in effect all previous orders. This consolidated version is the result of experience and experiment in the first three months of war. The order is already amended by Orders Nos. 1,827 and 1,843, effective as of Jan. 8, 1940.

Any practitioner, however, who would confine himself to a study of these rules without paying attention to the principal orders of the Treasury and the instructions of the Bank of England is bound to arrive at very defective conclusions. We pass over with a mere index finger the four currency restriction exemption orders (issued Sept. 3, Sept. 28, Nov. 17 and Dec. 20), the two security restriction and return orders (issued Sept. 25 and Oct. 14) and the three capital issue exemption orders (issued Sept. 3, Sept. 26 and Nov. 23).

United States securities held by foreign investors. About one-third of this total is estimated to be held in Great Britain. Nevertheless, Great Britain had hitherto tackled the exchange problem less vigorously than France. So, at the outbreak of war, she was obliged to struggle for an exchange equilibrium with the greatest determination.<sup>1</sup>

Her efforts are shown by the various measures the British Government has taken regarding the subject matter, the territory and the persons covered by the finance defense regulations and the administration of them.

## 1. The Subject Matter

This constitutes a vital contrast between the French and the British mobilizations of foreign wealth in that the British are not only concerned with assets abroad, but also and particularly with inland gold and foreign assets held in Great Britain. It constitutes a second vital point of contrast in that, while France has declared herself satisfied with the simple mobilization of foreign wealth, Great Britain has to a certain extent decreed its confiscation.

A distinction must be drawn between the legal treatment of gold, foreign exchange and foreign securities:

(a) **Gold**, i. e., British and foreign gold coin (except genuine collectors' pieces), gold bullion in the form of bars and ingots must be offered to the government through the British banks and is acquired by the authorities against payment in sterling at the rate prevailing. The offer of rings, plate or other articles of gold is not called for at present. Originally, the compulsion to sell gold was in the nature of a *lex imperfecta*, as the regulations failed to impose any sanction in case of noncompliance. It seems that this indulgence did not produce the expected fruits. Since Nov. 23, the British Government has conferred powers on the Treasury to acquire by compulsion the gold which residents were called upon by earlier regulations to offer for sale to the government.

(b) **The foreign exchange** is the object

of a similar tightening of the regulations from month to month. Since Sept. 3 all holdings in United States dollars, Canadian dollars, beigas, Swiss francs, French francs, guilders, Argentine pesos, Swedish and Norwegian kroner must be offered for sale to the government, including bank or currency notes, bank balances and other means of payment, such as checks, drafts, etc. In October, the East India guilders were added to the list of "valuable valutas" and, finally, the compulsory vesting to the Treasury of all the above-mentioned currencies was found necessary as sanction against those who have not offered their currency for sale.

No exceptions of any sort can be made without official consent. The principal grounds for making an exception are that the gold or foreign exchange is needed to pay a pre-war debt payable in foreign exchange or gold, for reasonable requirements in the normal course of business or for reasonable traveling and personal expenses.

Some gaps are left open by intention. There is no control whatever over the proceeds of foreign trade. Another important loophole may be found by under-invoicing and selling on extended credit terms to foreign countries. The departments show also an increasing readiness

for intelligent relaxation of restrictions where their effect is more detrimental than is warranted by the advantages gained.

(c) **Foreign securities**: "The Treasury may prohibit dealings with securities which, in the opinion of the Treasury, are likely to be marketable outside the United Kingdom and requires owners of such securities to make a return to the Bank of England \* \* \* [Defense Finance Regulations No. 950]. In consequence of these powers conferred, a prohibition from selling or transferring and a call for returns have been issued for securities in respect of which the principal or dividends are payable in the currency of any one of the following countries: Argentina, Belgium, Canada, France, Holland and the Dutch East Indies, Norway, Sweden, Switzerland, United States of America. Other securities "which are likely to be marketable outside the United Kingdom" may be added. The British Government is empowered to take over such security holdings any time in exchange for cash or government securities, both in sterling. Compulsion may be enforced by the way that the Treasury issues orders transferring to themselves at what they think to be their market value the securities subject to the return. They then vest in the Treasury, free from any mortgage or charge, and all steps must be taken by the owners and officers of the company to make the transfer complete. An important difference between the present status of foreign exchange and that of foreign securities lies, however, in this, that foreign exchange is actually, foreign securities only virtually, requisitioned. For the time being, the ownership of foreign, including American, securities held here or in London on behalf of British residents, is still left intact though no transfer is allowed except under authorization. The British authorities have refrained so far from imposing any compulsory sales, and informed quarters assert that the actual requisitioning of United States shareholdings for open market sales is not contemplated in the near future.

## 2. The Territory Covered and the United States Market

Much broader than the French census, the British census is not a mobilization of foreign assets in foreign lands, but a mobilization of foreign assets located abroad and at home. The gold, exchange and securities owned everywhere are within the scope of the finance regulations<sup>2</sup>. The merciless liquidation of the dollar accounts which had to be effected by the New York banks during recent months is evidence of the efficiency and expeditiousness with which the requisition of foreign cash has been carried out. In the same way gold accounts held by British residents abroad were closed. The fate of the American securities held by Britons is undecided so far, as stated above. Though the wish has been expressed that voluntary sales of foreign securities to the British Government would be highly appreciated and though arrangements have

<sup>2</sup>For current transactions, the laws divide the world into three areas, the prohibited, the free and the regulated. Transactions between "free" countries, i. e., Britain, the Dominions and the colonies (with the exception of Canada, Newfoundland and Hongkong), and also Eire, Egypt and Iraq, are not subject to control. This is the "sterling area." Transactions with Germany and her conquered territories are prohibited under the Trading With the Enemy Acts. Commerce with all other countries is controlled.

been perfected by banks and brokerage houses to make such liquidation easier and to eliminate the risks of shipment, the practical result seems rather meager. It was believed that the depreciation in sterling would give an added incentive to holders of American securities in Britain to liquidate. Many of them, however, seem to be convinced that they will make more profit while maintaining their positions, though they face the risk that a requisition may surprise them overnight.

In view of the purely passive policy pursued by Great Britain in this matter, the American markets have suffered no pressure whatever, due to compulsory sales, which were so greatly feared after the promulgation of the Exchange Control Act. The very small proportion of private holdings which has been sold here to date was absorbed by the domestic market without material disturbance. Small purchases by the British Government, estimated at about \$1,000,000, have also been made under the provision requiring residents of the United Kingdom to surrender to the Bank of England the dollar proceeds on sales of securities in the United States markets.

In view of the multitude of factors that have been put into operation simultaneously since the outbreak of war, it is logical to expect a delay before exact results on the present liquidation of American currency and securities can be expected. It is improbable that the public will ever know of them. The equalization account represents the country's central gold and exchange reserve, which under War Currency Acts can now be used for war purposes. The periodical publication of the position of the account is suspended and the secrecy will not be lifted before the end of the war. The potential power of the vast resources of foreign holdings which may be mobilized for "a war in earnest" may be gathered, however, from the latest records of the United States Treasury, showing that Great Britain was a net seller of United States securities in the amount of \$72,043,000 for the first two months of the war. Except for the period at the end of 1937 and early in 1938, the October net outflow was the largest recorded in the statistics of the United States Treasury.

## 3. The Persons Subjected

Persons subjected to the exchange and securities control are "residents" in the United Kingdom, British as well as foreigners. In this respect, too, the British scheme is more drastic than the French. It is understood that the term "resident" is to be interpreted according to principles of income tax laws. In connection with refugees the Treasury has issued special "residence" instructions stating that any person staying for twelve months or more is to be regarded as a resident.

As the matter now stands, the conclusion is justified that the British authorities have shown an exceedingly courteous and a praiseworthy liberalism in applying the control to friendly foreigners, and particularly to United States citizens. American individuals residing in Great Britain seem to have found the greatest complaisance when applying for exemption for the return and surrender of currency (not for gold). In most cases exemption has been granted if evidence of nationality and of residence in the United Kingdom prior to Sept. 3, 1939, was adduced and proved, and if the foreign exchange and the securities, in respect of which the exemption was claimed, have been held by the claimants continuously since Sept. 3, 1939 (Aug. 26, 1939, for securities).

The British Treasury, moreover, has shown no objection to a foreign national

not possessing British nationality selling securities in respect of which he has obtained exemption from the finance regulations and reinvesting in other foreign securities. If the securities were held abroad the owner was invited to obtain permission in the usual way to export securities held in the United Kingdom; and in applying for permission to export, the claimants had to satisfy their banks that they had been exempted under special arrangements set up for foreigners. According to a Treasury notice, the British Treasury is also prepared to agree that foreign nationals residing in the United Kingdom, who do not also possess British nationality, will not be called upon to surrender income accruing to them by the way of dividends on exempted securities, nor in consequence upon securities which they purchase instead of their original holding. Naturally, no exemption from selling for foreign exchange could be claimed by Americans for exchange acquired in the course of current trade.

Britons or foreigners resident abroad retain full freedom for disposing of their holdings. They are not called upon to offer to the Treasury gold, securities and foreign currency which they may have deposited in the United Kingdom. If they wish to send such currencies, etc., out of Britain, they must obtain an authority before the exportation can actually be made, but such permissions are fully granted. No attempt has been made to prevent the departure from the United Kingdom of sterling accounts of non-residents, which remain completely free. Their conversion into foreign currency, however, is subject to authorization, which is only given if genuine commercial reasons for the transactions are adduced. Since January, 1940, individual sanction must also be obtained for the transfer of sterling from domestic to foreign accounts. The purpose of a progressive tightening of the regulations in this respect is to narrow the escape of volatile sterling funds through the unofficial markets abroad, and particularly in New York. British importers to which foreign exchange has been refused could pay for those imports with sterling balances acquired on the New York market and sold by foreign owners who were refused permission to exchange their sterling accounts. This exchange loophole could also be used for illegal flights of capital and sterling. The leakage, however, is far from being stopped, because sterling transfers from one foreign account to another remain free from control. Thus, the American importer of British goods, invoiced in sterling, is able to pay for these imports with sterling balances of nonresidents which can be acquired in the New York market at the unofficial rate for sterling here; the British exchange fund fails to receive United States dollars which it would have received at a more profitable rate if the sterling had to be bought at the official London market.

The avenues for evasion for securities are, by nature, more limited. Formal consent is now required even for the transfer of sterling securities registered in the United Kingdom from the name of a person residing in the United Kingdom to the name of a person residing abroad (with the exception of the countries of the "sterling area"). Under a new exemption order, the proceeds of the sale or redemption of any sterling securities in the beneficial ownership of a nonresident, of interest or dividends on any securities registered or inscribed in his name or in the name of his nominee, or of interest on bearer securities collected on his behalf by a bank having the custody thereof, may be credited to the account of the nonresident without formality.

#### 4. Administration

The administration is on very informal

lines. No fixed time was originally fixed for the surrender of foreign assets, which encouraged a great many holders in the belief that delays could be indulged in and perhaps ultimately yield a better price. It was only in the third month of the war that the authorities have used

their power to acquire by compulsion foreign exchange which ought already to have been offered to them. A rate of \$4.04 is paid for United States dollars and 168 shillings for gold. Canadian dollar holdings are to be vested in the Treasury at a price of £100—13—5. As

the British Bank Act is suspended, the Bank of England is no longer bound to acquire gold at the statutory price laid down in the act of 1844.

Men, Munitions, Money—this was the

*Continued on Page 222*

## National Government: Economy Axe Out for Nesting Places of Inner New Dealers and Their Staffs

By KENDALL K. HOYT

**WASHINGTON.** THE past two weeks have brought little change in the Washington situation. Congress is ticking off the appropriation bills and disposing of other business without controversial delays, in a business-like way which will mean a short session and adjournment before the national conventions, unless the impact of foreign events brings need for emergency action.

An encouraging sign is the determination of both Houses to effect substantial economies in the supply bills and make the savings stick. The evident intent is to save the \$460,000,000 extra defense expenses, which the President said must be offset by new taxes, by economies throughout the Federal system, not excepting superfluous outlays for defense itself. In some cases, Federal officials have been invited to recommend lump sum cuts in their own budgets.

Symptomatic of the new attitude is the deletion of appropriation items for executive agencies unsanctioned by law. The National Resources Planning Board and the remnants of the old National Emergency Council, which were stricken from the Independent Offices bill, are not in themselves much of a saving. But nesting places for inner circle New Dealers and their staffs have been eliminated.

The axe is out also for the National Power Policy Committee, whose sole function is to give jobs to New Dealers planning measures for the destruction of private ownership of the utilities. The budget provides a salary for Ben Cohen and for Thomas Tate, the author of the super-power report proposing a network of government steam plants and transmission lines across the country. The budget even included a "night assistant" for the midnight sessions of the left wing planners.

In one case, the economy bloc went rather far in raising a point of order against HOLC expenditures for repair of foreclosed properties and payment of brokers for sales. This would interrupt the liquidation of HOLC, which has been making fast progress in recent months. The item probably will be reinstated by the Senate, however.

**LABOR AMENDMENTS** have not yet come to a head. It is evident that the New Dealers would now like to push ahead with mild Wagner act changes, without waiting for the Smith Committee probe to finish, so that more drastic revisions can be blocked. A larger board, employer rights to call elections, court review of decisions and formulation of rules of procedure are among the points on which concessions might be made. Such a bill would minimize pressure also for passage of the administrative law bill. But conservatives will push to block such a measure until some agreement can be made on full amendment of the act.

A disposition to compromise likewise is seen as to wage-hour amendments deadlocked last year because Labor Department officials would not give in to farm demands for exemptions of first processing of farm products, as proposed in the Barden bill. It is possible that Colonel Fleming will grant the farm groups some

administrative leniency in lieu of legislation which he thinks would remove too many workers from jurisdiction of the law.

## National Legislation

### Two Weeks Ended Jan. 27

**MEETINGS**—In the week ended Jan. 20, the House met Monday through Thursday, Jan. 15-18. The Senate met Monday, Tuesday, Thursday, Friday and Saturday. Last week the House met Monday through Thursday, Jan. 22-25, and adjourned to Monday, Jan. 29. The Senate met Monday, Tuesday and Thursday and adjourned to Monday.

**SENATE CONFIRMATIONS**—Emil Schram, Carroll B. Merrian, Charles B. Henderson, Howard J. Klossner and Sam Husbands to be members of the board of directors, Reconstruction Finance Corp.; Albert G. Black, Governor Farm Credit Administration; Frank Murphy, Associate Justice Supreme Court; Robert H. Jackson, Attorney General; Francis Biddle, Solicitor General; Alvin J. Wirtz, Under-Secretary of the Interior; Harry Slatery, Administrator Rural Electrification Administration.

**NOMINATIONS**—Melvin C. Hazen, Commissioner District of Columbia; Lewis Compton, N. J., Assistant Secretary of the Navy; Carroll Miller, Pa., Interstate Commerce Commissioner.

**PASSED BOTH HOUSES**—S1955—Auth Secretary of Agriculture to delegate certain regulatory functions. Passed H Jan 15.

HR2963—Auth Sts owning lands acquired from U S to include same in agreements for conservation of oil and gas. Passed S Jan 18.

HR6006—Amend Bankruptcy Act. Senate conferees appointed Jan 23.

HR6232—Protect witnesses before Fed agencies. Signed Jan 13.

HR7171—Amend Sec 22, AAA Act, as to import quotas. Passed S Jan 18.

HR7293—Amend Sec 355, Revised Statutes, to make permissive the acquisition of legislative jurisdiction over land acquired by U S.

**VETOED**—HR5118—Relief of State of Ohio; return of Soc Sec funds withheld due to non-conformity of Stt administration. HDoc576 Jan 24. House failed to pass over veto.

**PASSED ONE HOUSE**—S1935—Amend Frazier-Lemke Farm Bankruptcy Act and extend to Mar 4, 1944. Passed S Jan 18; to H Judiciary Committee.

S2420—Broaden power of Bureau of Mines over coal mine inspections. Passed S Jan 18; to H Mines & Mining.

HR5757—Require that periodicals sent through mails contain name of publisher. Passed H Jan 15; to S P O & Post Rds.

HR7342—Amend Emergency Farm Mortgage Act, continuing power of Fed Land Bank Commissioner to make loans on behalf of Fed Farm Mortgage Corp to Jun 1, 1942.

HR7508—Supplemental military appropriations. SRpt1162 Jan 23.

HR7922—Independent Offices approp. Passed H Jan 18; to S Approp.

HRJ302—Authorize interstate compacts as to fishing, Eastern seaboard. Passed H Jan. 15; to S Commerce.

HRea321—Continue Dies Committee probe of un-American activities. House agreed to Jan. 23.

**REPORTED**—S3099 (Brown)—SRpt1166 Jan 25—Loans to Finland. Reported from Bnk & Currency; referred to Foreign Relations Committee.

HR7420 (Bland)—HRpt1532 Jan 25—Amend law for preventing collisions to vessels.

HR8067 (Taylor)—HRpt1525 Jan 23—Urgent deficiency appropriations.

HR8068 (Ludlow)—HRpt1526 Jan 23—Treasury-Postoffice approp.

HRJ434 (Cannon, Mo.)—HRpt1527 Jan 23—Make available \$11,000,000 for parity pays under Price Adjustment Act 1938.

HRJ425 (Peterson, Fla.)—HRpt1514 Jan 15—Extend special committee phosphate invtg to Jan 15, 1941.

**NEW SENATE BILLS**—S3106 (Hayden) P O & Post Rds—Aid Sts in improvement of highways.

S3121 (Pepper) Educ & Labor—Forbid Fed Govt to purchase articles in a Stt at lower rate than set by Stt law.

S3132 (King) Bnk & Currency—RFC loans to Finland.

S3136 (O'Mahoney) Irrigatn & Reclamtn

—Build small reservoirs under reclamtn laws.

S3140 (Davis) Finance—Establish Budget Service as agency of Congress.

S3141 (Gillette) Approp—Auth use of relief funds for constructs of certain non-Fed bldgs voted by Stt Legislatures.

S3153 (Bilbo) Commerce—Broaden Census powers in collecting business statistics.

S3154 (Wiley) Finance—Tax exemptions for gifts to Finland.

S3170 (Murray) Educ & Labor—Vocatnl guidance and training for youths 16 to 25.

S3172 (Johnson, Calif) Pub Lands & Surveys—Extend oil and gas prospecting permits.

S3175 (Harrison) Finance—Owners of internatl toll bridges or tunnels to provide Fed inspectn facilities for regulating commerce with foreign nations.

S3181 (Downey) Finance—Amend Soc Sec Act and Int'l Rev Code for more adequate unempl insurance.

S3207 (Pepper & Andrews) Agri & Forestry—More equitable sugar quota for mainland cane area.

SJR197 (Barbour) Agri & Forestry—Ask President to call natl farm conf.

SJR199 (Pepper) Audit & Control—Continue phosphate invtg to Jan 15, 1941.

**NEW HOUSE BILLS**—HR7891 (Cartwright) Roads—Aid Sts in improvement of highways.

HR7893 (Fulmer) Ways & Means—Fed grants for old-age assistance to match Stts 2 for 1 up to \$10 and equal above \$10.

HR7892 (Celler) Bnk & Currency—Loans to Finland.

HR7933 (Celler) Ways & Means—Loans to Finland.

HR7934 (Darden) Naval Aff—Auth alterations and repairs to Navy vessels.

HR7935 (Havener) Ways & Means—Amend Soc Sec Act to extend old-age coverage, etc.

HR7951 (Gilchrist) Approp—Make WPA funds available for non-Federal bldgs with Fed contributn over \$52,000.

HR7952 (White, Idaho) Irrigatn & Reclamtn laws—Build small reservoirs under reclamtn laws.

HR7953 (Voorhis, Calif) World War Vets Legis—\$60 per month pension for all disabled veterans.

HR7971 (Mundt) Rivers & Harbors—Prevent pollutn of navigable waters.

HR7990 (Smith, Va) Judic—Amend Hatch act.

HR8016 (Cannon, Fla) Judic—Amend Bankruptcy Act.

HR8018 (Randolph) Approp—\$7,500,000 to acquire forest lands.

HR8026 (Vinson, Ga) Naval Aff—Establish composition of U S Navy.

HR8045 (Casey, Mass) Labor—Amend Fair Labor Stds Act.

HR8049 (Oliver) Approp—Auth PWA funds for reconstruction of pub bldg destroyed by disaster.

HR8074 (Johns) Ways & Means—Tax deductions on gifts to Finland.

HR8080 (Voorhis, Calif) Ways & Means—Financial credit for natl defense in wartime without incurring public debt; prevent post-war depressions.

HR8086 (Walter) Judic—Make it a crime to attempt to wreck train in interstate com.

HR8118 (Faddis) Military Aff—Amend TVA Act to reimburse States and subdivisions for lost taxes.

HR8122 (Reed, N Y) Census—Repeal act providing natl housing census.

HR8148 (Beckworth) Ways & Means—Increase Fed grants for old-age assistance.

HR8149 (Cannon, Fla) Agri—More equitable sugar quota for mainland cane areas.

HR8152 (Cochran) Expenditures in Exec Dept—Procurements without advertising.

HR8153 (Colmer) Ways & Means—Amend Soc Sec Act as to grant to Stts for old-age assistance.

HR8157 (Peterson, Ga) Pub Lands—Establish natl land policy and provide homesteads for actual farm families.

HJR422 (Ludlow) Rules—Create committee on fiscal planning.

HJR430 (Tenerowicz) Forn Aff—Relief of Poland.

HJR438 (Voorhis, Calif) Approp—Extend time for constructs of work relief and pub works projects to Jan 1, 1941.

HJR439 (Fenton) Approp—Prevailing wage on relief work.

HCR39 (O'Toole) Forn Aff—Sever diplomatic relats with Russia. Also HCR41 (Randolph)

HCR40 (Carlson) Rules—Joint committee study Soc Sec.

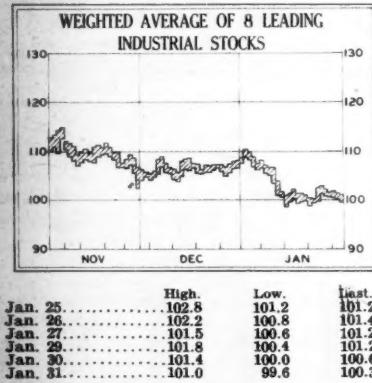
HRea360 (Martin J. Kennedy) Rules—Investig admissibility of St. Lawrence seaway.

HRea367 (Keller) Rules—Investig qualifications of attorneys employed by govt.

# Financial Markets: Aircrafts Reflect Expectations Of Heavier Allied Buying

**S**TOCK prices have continued to fluctuate in a very narrow range, with a slight net decline for the week. News has been generally of a rather favorable character and market fluctuations have thus continued to have little relationship to the usual factors which determine price fluctuations in more normal times.

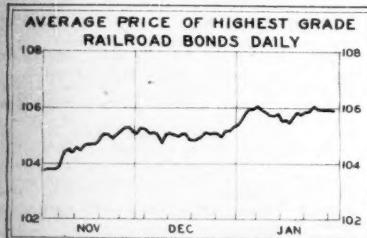
The most substantial declines have been in Chrysler, J. C. Penney, U. S. Rubber, Johns-Manville, Case and Standard Oil of New Jersey. Some of the aviation stocks were able to make moderate net advances during the week in the face of a general downward tendency. General Motors, the container stocks, General Foods, National Biscuit, Loew's, the tobaccos and the utilities held a little better than average. The steels, although they declined slightly, appeared to be helped by favorable earnings statements.



One of the favorable factors most widely discussed in financial circles has been the growing expectation that in the near future there will be heavier armament purchases by the Allies in this country. Undoubtedly one of the chief beneficiaries of such a program would be the aircraft industry. This has been reflected in moderate strength in aircraft stocks.

It would appear that rumors of more extensive purchasing in this country by England and France have had some influence upon financial sentiment generally. There is still little indication, however, that armament buying from abroad is likely in the near future to reach the proportion which some investors thought probable a few months ago.

Bethlehem Steel contributed to the week's favorable news with a very good fourth-quarter earnings statement, the declaration of a \$1 dividend on the common stock and an announcement that it would redeem its 5 per cent preferred stock. Earnings for the final quarter of last year were rather better than had been generally expected, amounting to \$3.74 per share of common stock as compared with \$3.56 per share in the similar 1938 period. United States Steel's record of



	1939			
	Jan.	Dec.	Nov.	Oct.
21	105.11	105.01	103.83	102.03
22	105.87	105.01	105.06	101.78
23	105.87	105.06	103.90	101.91
24	106.07	105.04	104.81	103.90
25	105.99	105.04	103.92	101.93
26	105.99	105.26	105.04	103.95
27	105.99	104.98	105.09	104.05
28	105.99	105.18	105.23	103.98
29	105.99	105.18	105.26	102.13
30	105.92	105.30	105.08	103.78

\$2.59 per share on the common in the fourth quarter also made a favorable impression, even though the total for the year as a whole was only \$1.84.

Other favorable business news has included a report of reasonably well sustained automobile sales in spite of the unfavorable weather in most sections of the country. There may be some reason for questioning the actual significance of this record, under present conditions, as an indication of the outlook for this year but it is nevertheless true that automobile sales are regarded by a large group of in-

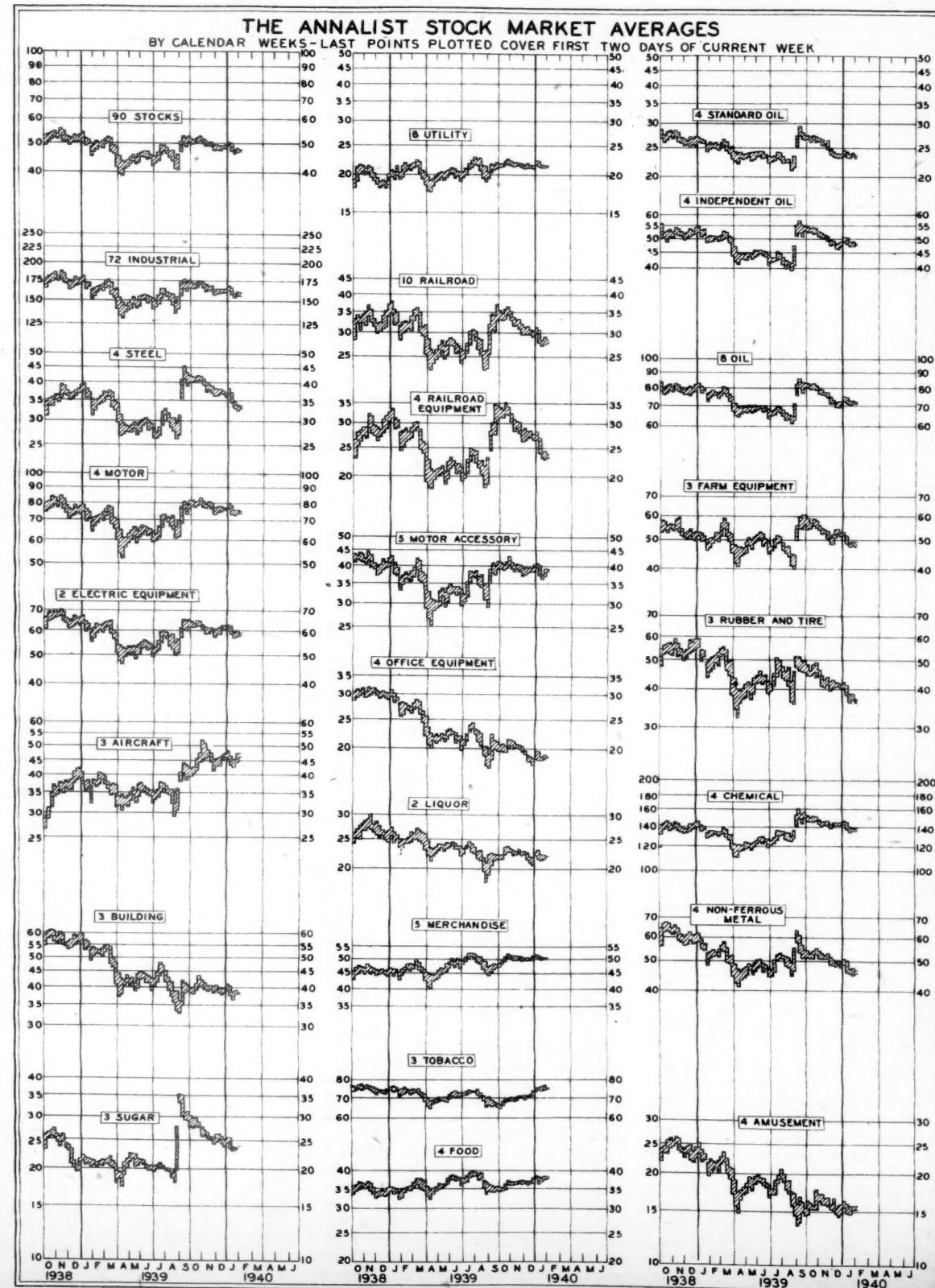
vestors as one of the most reliable indications of consumer purchasing power.

In view of the recent active discussion in financial circles of the 1939 earnings record of the tire industry, it has been of considerable interest to note the forecast by the president of Lee Rubber that tire prices will be higher this year. This prediction has been supported by the report that bids submitted to the government by leading tire manufacturers have contained a moderate increase of prices.

The market remains a question of excellent earnings reports on the one hand

against war and political uncertainties on the other. The level of earnings in most companies which have published reports for the fourth quarter would justify much higher prices for their stocks were there any possibility of maintaining this level. Investors evidently believe that there is little possibility of doing this, however, and are interpreting fourth-quarter results as representing merely a temporary fluctuation in earning power well above what may be considered normal for this period. The trend of business during recent weeks has indicated that this view is a sound one and that a correct appraisal of 1940 earnings will be extremely difficult until the end of the current business recession has been reached.

M. C.



FEB 1

# The Week in Commodities: Prices Slightly Lower; Silk Again Declines Sharply

**C**OMMODITY prices declined slightly last week, paced by wheat and raw silk. The Annalist Index closed at 81.9 on Jan. 27, a drop of one-tenth of a point as compared with the preceding week and about 3 points above a year ago. Wheat prices dropped about 2 cents a bushel last week, while corn eased 1 cent. Other grains were firm. Cotton fell to the lowest level of the year to date, while silk bordered on a complete collapse. Hog prices fell to new lows for the current movement. Bucking the downward drift were butter and eggs, both of which reached the best prices in some time.

Wholesale commodity prices averaged 82.0 in January, the highest since the early part of 1938 and 2.8 points above the corresponding month of 1939.

## DAILY COMMODITY PRICES

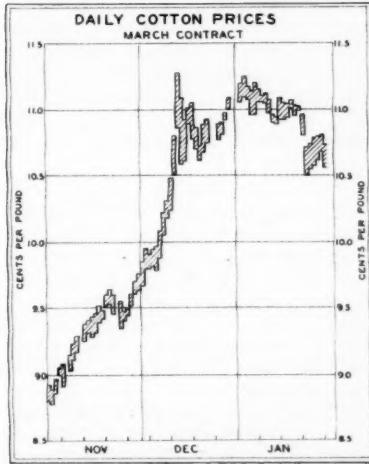
	Cotton	Wheat	Corn	Hogs	Index	Index
Jan. 22	10.87	1.20%	.74%	5.33	60.30	164.0
Jan. 23	10.33	1.19%	.72%	5.19	59.36	162.3
Jan. 24	10.56	1.20%	.72%	5.08	59.96	162.8
Jan. 25	10.53	1.18%	.72%	5.30	59.43	162.8
Jan. 26	10.60	1.19%	.72%	5.27	59.32	161.0
Jan. 27	10.59	1.19%	.72%	5.30	59.30	161.0
Jan. 28	10.60	1.16%	.73	5.35	58.20	159.9
Jan. 29	10.68	1.17%	.72%	5.35	58.20	159.9
Jan. 30	10.68	1.17%	.72%	5.35	58.20	159.9

For description of commodities used see THE ANNALIST of Jan. 25, 1940, page 156.

\*Approximate.

## COTTON

**O**N the largest volume since the second week in December, cotton futures lost 22 to 27 points last week. Selling was largely professional and influenced by weakness in the important Liverpool and Bombay markets. At the lows of the week—established last Tuesday—cotton prices were the lowest since the early part of December. A sharp rally in the closing days of the week, however, carried prices up more than 30 points from the lows.



American observers were not greatly disturbed by last week's sharp decline in foreign markets. They pointed out that foreign prices advanced much too fast in

## MOVEMENT OF AMERICAN COTTON

(Thousands of running bales, as reported by the New York Cotton Exchange)

W's Ending Thursday—Yr.'s Jan. 25, Jan. 18, Jan. 26, Chge 1940. 1940. 1939. P. C.

Movement Into Sight:					
During week	205	268	109	+ 88	
Since Aug. 1	10,457	10,244	7,480	+ 40	
Deliveries During Week:					
To domestic mills	133	144	129	+ 3	
To foreign mills	*	*	97	*	
To all mills	*	*	226	*	
Deliveries Since Aug. 1:					
To domestic mills	4,853	4,720	3,605	+ 35	
To foreign mills	*	*	2,174	*	
To all mills	*	*	5,779	*	
Exports:					
During week	271	91	61	+ 344	
Since Aug. 1	3,794	2,105	2,166	+ 75	
World Visible Supply:					
World total	*	*	7,336	*	
Week's change	*	*	-117	*	
U. S. A. only	6,131	6,330	6,023	+ 2	

the closing weeks of last year and consequently a reaction was long overdue. Even after the severe decline that has been witnessed in recent weeks, Indian cotton is still high in relation to the American

staple and further liquidation may take place.

A paradox developed on Monday when leading ocean shippers announced reductions in rates only a few hours after the French High Command had revealed that a new Nazi U-boat warfare was about to begin. Apparently, however, shippers have been lulled into a sense of security by the last few weeks of quiet on the high seas and decided to lower rates and thus obtain what business was available.

The recent trend in cotton exports, incidentally, indicates that foreign mills are not taking any chances and are forcing shipment whenever they can. Exports last week totaled 271,000 bales, a jump of more than 300 per cent, as compared with the corresponding week of last year. Season shipments now total 3,794,000, a gain of 75 per cent, as compared with the comparable period of last season.

It is noteworthy that cotton is the only major commodity which has lived up to

the optimistic dreams of the first few weeks of the second world war. Not only have exports soared in a spectacular fashion, but prices are near the best levels in two and one-half years. Even better is the fact that the outlook for cotton prices is relatively good—something which cannot be said of all major commodities.

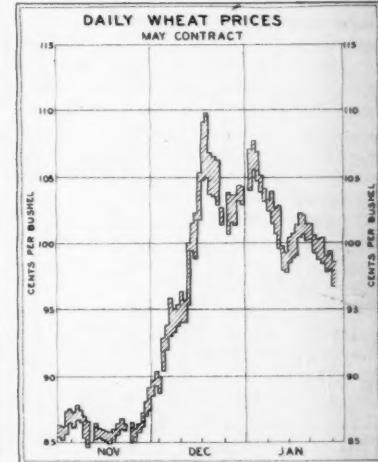
Domestic mill conditions leave much to be desired. Following a sharp spurt about a week ago, the gray goods market once again fell back into the doldrums. Current sales are so small that they would not sustain the current rate of operations for more than a few days each week. According to trade reports, most mills are reluctant to curtail operations during periods of dull cloth sales as long as profit margins are satisfactory.

In contrast to the slack state of affairs in the goods markets, department stores are humming along. In the latest week, total domestic department store sales were about 4 per cent above a year ago, with some sections showing gains of as much as 14 per cent. This showing is considered unusually good in view of the severe cold that has swept the nation for the last few weeks. While cold weather in Winter is good for retail trade it works just the other way when the mercury falls so far as to keep customers hovering over the fireplace.

## THE GRAINS

**W**HEAT prices declined gradually last week on the smallest trading since the end of November. Until last Saturday the speculative element in the grain pits was cheered by the fact that prices failed to break through the lows of Jan. 13 and thus had formed a "double bottom." Had prices rallied from that point it would have been bullish.

On Monday, however, prices broke sharply, with all futures tumbling more than 2 cents before support was uncovered. A late rally canceled some of the earlier losses, but prices had fallen through the "double bottom," a development which was considered very bearish.

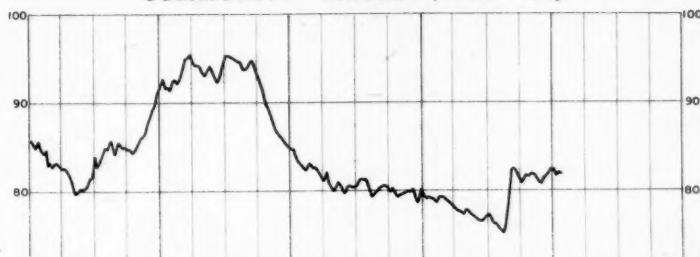


Contributing to last week's decline in prices were new peace rumors. The majority of the grain trade does not believe peace is a near-term possibility and consequently puts little faith in such rumors. Some of the weaker holders, however, are inclined to sell on "peace" news and when buying orders are limited even small amounts of selling depress prices swiftly.

Although extremely cold weather ruled over most of the Wheat Belt last week, little selling could be traced to that account. Subnormal temperatures at this time of the year may cause additional damage to the crop, but until definite news on that score has been received most speculators are inclined to disregard the weather.

In Europe the ups and downs of the

## THE ANNALIST WEEKLY INDEX OF WHOLESALE COMMODITY PRICES (1926=100)



	Farm Products	Food Products	Textile Products	Fuels	Metals	Building Materials	Chemicals	Miscellaneous	All Commodity modities
1939.									
Jan. 28	76.5	69.7	59.6	84.0	97.3	69.3	86.7	69.3	78.1
Dec. 16	77.1	70.3	78.1	87.2	98.7	71.8	86.8	81.7	81.7
Dec. 23	78.5	69.8	78.9	87.2	98.7	71.8	86.8	82.0	81.9
Dec. 30	79.5	70.6	80.0	87.0	99.4	71.8	86.8	80.8	82.5
1940.									
Jan. 6	78.6	70.9	79.3	87.1	99.2	72.3	86.8	81.7	82.4
Jan. 13	76.9	70.1	77.7	87.3	98.1	72.3	86.7	81.7	81.7
Jan. 20	78.1	71.0	77.2	87.2	98.7	72.3	86.7	81.6	82.0
Jan. 27	78.3	71.4	75.1	87.2	98.3	72.3	86.7	81.3	81.9

Percentage changes for week from:

Last week + 0.3 + 0.6 - 2.7 0.0 - 0.4 0.0 0.0 - 0.4 - 0.1

Last year + 2.9 + 2.4 + 26.0 + 3.8 + 1.0 + 4.3 0.0 + 17.3 + 3.7

	January	February	March	April	May	June	July	August	September	October	November	December	January
1939.	77.3	70.0	59.7	84.1	97.4	69.3	86.7	70.0	79.2				
January	76.4	70.1	59.6	84.4	97.4	69.6	86.5	69.8	79.1				
February	76.1	69.8	59.8	84.1	97.4	67.8	86.3	69.5	78.9				
March	73.6	68.0	59.9	82.4	96.9	70.6	85.8	68.7	77.8				
April	72.0	66.1	60.9	83.3	96.1	70.8	85.5	68.5	77.5				
May	70.8	65.0	61.9	83.0	95.3	71.1	85.4	68.8	76.7				
June	70.9	65.9	62.6	83.1	95.3	71.0	85.2	69.0	75.6				
July	70.9	65.9	62.6	83.1	95.7	70.9	85.2	69.0	75.6				
August	68.2	64.3	63.1	82.1	95.7	70.9	85.2	74.2	81.3				
September	77.2	74.1	67.9	84.1	98.3	70.9	85.2	74.2	81.3				
October	76.1	71.7	76.1	87.1	99.2	72.0	85.6	76.4	81.5				
November	76.6	71.4	76.7	87.7	99.0	72.2	85.9	80.2	81.6				
December	77.5	70.2	77.9	87.2	99.0	71.9	86.7	81.4	81.7				
January	78.1	70.8	77.3	87.2	99.8	72.3	86.7	81.6	82.0				

For figures for Jan. 5, 1937, to June 24, 1939, see the issue of July 6, 1939. Back figures for 1936 and earlier years are given in descriptive folder, obtainable on request.

## SPOT PRICES OF IMPORTANT COMMODITIES

(New York Prices Except as Noted)

	Jan. 27, 1940.	Jan. 20, 1940.	Jan. 28, 1939.
Wheat, No. 2 red, c.i.f., domestic (bu.)	\$1.19%	\$1.21%	\$0.87%
Corn, No. 2 yellow (bu.)	.73%	.74%	.65%
Oats, No. 2 white (bu.)	.52%	.53%	.41
Rye, No. 2 Western domestic, c.i.f. (bu.)	.88%	.88%	.65%
Barley, malting (bu.)	.70	.70%	.68
Flour, Spring patents (bbl.)	6.25	6.30	4.70-4.80
Cattle, good and choice heavy steers, average, Chicago (100 lb.)	10.53	10.25	11.44
Hog, good and choice, average, Chicago (100 lb.)	5.27	5.52	7.73
Beef, Western dressed steers, 700 lbs. and up, good and choice average (100 lb.)	15.50	15.125	17.87
Hams, smoked, 10-12 lbs. (lb.)	18.312	18.312	20%
Pork, mess (100 lb.)	16.25	17.25	22.75
Bacon, No. 1 dry cure, 6-8 lbs. (100 lb.)	18.50	18.50	23.50
Lard, steam Western (100 lb.)	6.60	6.85	7.40-7.50
Sugar, raw, duty-paid (lb.)	.0285	.0290	.0278
Sugar, refined (lb.)	.0445	.0440-.0450	.0430
Coffee, Santos, No. 4 (lb.)	.07375	.075-.076	.06
Cocoa, Accra (lb.)	.0553	.0564	.0450
Cotton, middling upland (lb.)	.1090	.1124	.09
Wool tops (lb.)	1.07	1.10%	.85%
Silk, 78% seripane, Japan, 13-15 (lb.)	3.315	3.73	1.94
Rayon, 150 denier, first quality (lb.)	.53	.53	.51
Worsted yarn, Bradford, 2-40s, halfblood weaving (lb.)	1.7375	1.7375	1.33%
Cotton yarn, carded 20-2 warp (lb.)	.29	.30	.22%
Printcloth, 384-inch, 6x60, 5.35 (yd.)	.054	.054-.055	.044
Cotton sheeting, brown, 36-inch, 56x60, 4.00, unbranded double cuts (yd.)	.064%	.06%	.06
Hides, light native cow, Chicago (lb.)	.13	.14	.10
Leather, union backs (lb.)	.38	.38	.33
Rubber, plantation ribbed, smoked sheets (lb.)	.1868	.191	



# Canadian Business Sustained by Increased War Orders; Government Issues Details

FURTHER evidence of a tapering off in business activity during December became available last week.

The Annalist Index of Canadian Business Activity may be estimated at 85.5 (very preliminary) in December, down slightly from November, but still 10 per cent above the corresponding month of 1938. The only components to show gains were iron and steel production, building permits and the export of boards and planks.

The chart on the next page pictures the fluctuations in the index for the year. The improvement in Canadian business was obviously irregular. Prior to the declaration of war, business had shown irregular and moderate improvement on domestic account alone—or probably it is more accurate to say that business conditions through August were influenced largely by domestic and American trade demands. During September and October, the Canadian economy speeded up so rapidly that the index was carried to a point that exceeded the peak month of 1937 by approximately 6 per cent.

The causes of this spurt are by now familiar to all. They are centered in the widespread effort to anticipate war demands for the products of industry, delayed deliveries and commodity price inflation. The absence of immediate, large war orders, the prompt delivery of goods and the settling down of commodity prices after the initial war stimulus were all responsible for the reaction in business activity during November and December. The year ended with Canadian business carrying on at comparatively high levels.

#### THE ANNALIST INDEX OF CANADIAN BUSINESS ACTIVITY (Adjusted for seasonal variation and long-time trend)

	Dec.	Nov.	Oct.	Dec.
	1938	1939	1938	1939
Freight car loadings	71.9	72.8	74.8	65.1
Electric power prod.	88.2	91.9	92.2	84.6
Automobile prod.	77.1	88.5	79.5	93.3
Newspaper prod.	73.5	80.2	82.8	66.9
Steel ingot prod.	146.2	129.1	141.8	79.0
Pig iron prod.	106.4	100.0	108.2	61.3
Copper exports	103.4	139.8	74.1	133.2
Nickel exports	88.7	173.3	206.8	110.3
Coal prod.	107.5	102.6	92.6	—
Rubber imports	34.9	139.6	81.9	—
Cotton imports	160.1	214.4	91.2	—
Flour prod.	95.0	113.3	84.8	—
Cattle slaughtered	69.9	70.3	106.7	107.1
Hogs slaughtered	162.9	181.5	198.5	114.2
Board and plank exp.	107.9	89.1	136.2	113.0
Building permits	34.6	21.0	27.7	20.5
Combined index	85.5	87.2	98.3	78.0

\*Preliminary. \*Revised.

The industry to show the quickest response to the new war situation was undoubtedly the primary iron and steel industry. In terms of index numbers, the



output of steel ingots and castings rose from 99.4 in August to 114.8 in September and 141.8 in October. Thus the advance within the two-month period, August-October, was 42 per cent. The decline during November was largely a statistical aber-

ration. November output failed to show the customary seasonal expansion because the industry had already been operating at practical capacity. And so our index fell sharply from 141.8 in October to 129.1, ending the year at 146.2. The December

expansion was also largely a statistical aberration. Ingot and castings output increased a little less than 3,000 tons, or 2 per cent, as compared with a usual seasonal decrease of 10 per cent between November and December.

For the year as a whole, 1,384,827 gross tons were produced, of which about one-third was made in the last three months of 1939. Total production was up some 20 per cent over that of 1938 when about 1,155,000 gross tons of ingots and castings were produced, but was still 1 per cent below the post-war high record output of 1,403,000 gross tons achieved in 1937. The 1937 record should definitely be surpassed this year.

One of the more interesting December reports concerns the building industry. Governmental authorities in fifty-eight cities issued permits in the value of \$6,035,000 in December, an increase of \$1,890,000, or 45.5 per cent, from the \$4,150,000 of permits issued in November. In December, 1938, building permits in the same 58 centers totaled \$3,480,000, or 73.3 per cent less than in December, 1939.

Unfortunately, a complete breakdown of the permits issued by types of building is not available. On the basis of the figures for fifty cities, however, it can be reported that the important gain took place in other than residential building. During November, 1,900 buildings (other than residential and engineering) valued at \$2,200,000 were authorized, as compared with 1,200 buildings at an estimated cost of \$3,900,000. Obviously the individual project contemplated was much larger during December than it was in the preceding month. It would not be surprising if much of the increased construction was the result of wartime activity and was undertaken by the government. The fact that in the Province of Ontario alone the expansion of authorized construction was greater than that for all the reporting centers is, with the information available from the daily press, sufficient supporting evidence.

Inasmuch as the level of industrial activity in coming months will become more and more dependent upon war orders, it is particularly heartening to Canadian business men to read about the actual letting of new business by the government. For instance, additional orders for airplanes were placed with Canadian manufacturers last week so that 900 out of a total of 1,282 planes to be made in

#### Week Ended

#### Transactions on the Montreal Exchange

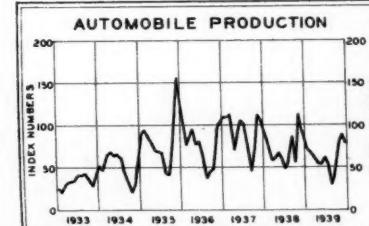
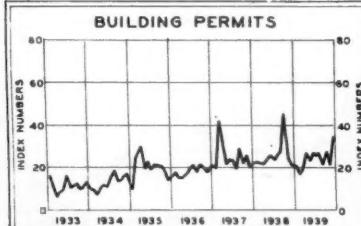
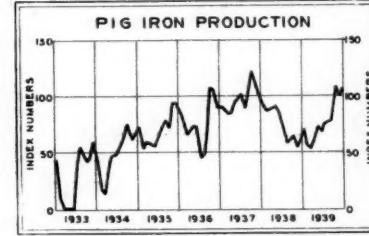
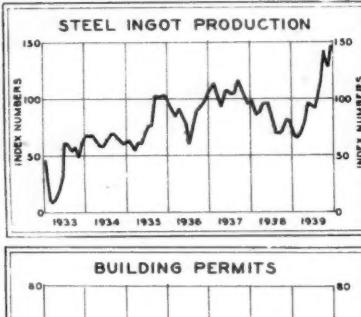
Saturday, Jan. 27

STOCK EXCHANGE STOCKS	STOCK EXCHANGE STOCKS	STOCK EXCHANGE STOCKS	STOCK EXCHANGE STOCKS	CURB MARKET STOCKS	CURB MARKET MINING STOCKS
Sales.	High.Low.Last.	Sales.	High.Low.Last.	Sales.	High.Low.Last.
15 Agnew... 11 11 11	260 Dryden... 11 104 104	84 Mt. Tram. 52 51 51	335 Zeller's... 10% 10% 10%	60 David... 16% 16% 16%	1,500 CenturyMng. .15 .14 .14
15 A P Graln. 24 24 24	135 Electrx... 10 10 10	850 N Brew... 37% 37% 37%	10 Zeller's pf. 24% 24% 24%	124 Dom Eng. 40 38 40	1,000 Can Mal... .90 .90 .90
1,845 Alcoa... 15% 14% 15%	105 Electr. Ht. 3% 3% 3%	200 N Brew pf. 41 41 41	88 Pow Notes. 48% 48% 48%	125 Dom Sc Cr. 4% 4% 4%	90 Dome... 28% 27% 27%
68 Alabama pf. 58 58 58	25 Eng. El. 31 31 31	432 Dom Car. 66 63 68	35 Can Nat... 161 161 162	1,012 Dom A... 9 8% 8%	3,850 Duparq... .02 .02 .02
2,098 Asbests. 25 25 25	55 Eng. El. 54 54 54	566 Nic. Wire... 27% 29 29	35 Can Nat pf. 161 161 162	300 Dom B... 8 7 8	2,300 East Ma... 3.92 3.85 3.86
84 A Brew... 184 184 184	57 Fndn. 10 10 10	1,146 Sud. Brew... 27% 27% 27%	352 Ogilvie... 32% 31 31%	2,000 Farnellid... 6% 6% 6%	1,100 Farnell... 1.00 1.00 1.00
2,136 Bathurst. 15 14% 14%	270 Gatineau... 15% 15% 15%	11 Ogilvie pf. 160 160 160	11 Olivie pf. 160 160 160	1,360 Fleet Aircr. 10 8% 8%	1,500 Fal Nickel... 4.25 4.10 4.12
150 Bwlf Gr... 1.60 1.50 1.50	290 Gatineau pf. 96 95 98	105 Ott. Car & A. 12% 12% 12%	10 Scotia... 309 309 309	1,305 Ford A... 20 20 20	9,200 Francoeur... .57 .50% .54
233 Bell... 167 168 167	175 Gatineau rts. 5% 5% 5%	45 Ott Elec Ry. 8% 8% 8%	158 Royal... 18% 182 185%	50 Fraser... 18 18 18	500 Inspiration... .34 .34 .34
4,374 Brazil... 9% 8% 9	2,400 G.S. War. 10% 10% 10%	25 Ott Pow... 15 15 15	35 Royal... 18 18 18	420 Fraser Vt... 20% 18% 19	2,500 Jm Cons... .03 .02% .02%
332 B & G Pw. 274 274 274	280 G.S. W. pf. 95 92 92	18 Ott Pow pf. 100 100 100	3,351 Abitibi... 1.95 1.85 1.90	45 Freiman Vt... 35 35 35	2,510 Jollet Que... .04% .04% .04
22 G & G B. 2% 5% 5%	25 Gdyer pf. 5% 5% 5%	15 Pennants pf. 37 37 37	2,937 Abitibi 6 pf 17% 16 17	90 Gen El Y... 42% 42% 42%	200 Kirk Lake... 1.40 1.40 1.40
145 Bruck... 5 5 5	50 Gain 5% pf 103 103 103	10 Pennants pf. 131 131 131	210 Aluminum... 130 128 128	260 Label... .01% .01% .01%	325 Lt. Shore... 29 29 29
541 Bldg Pro... 164 164 164	300 Gurd. 8 7% 7%	245 Placer Dev 14% 14% 14%	5 Alum cu pf. 114% 114% 114%	60 Int'l B... .50 .50 .50	260 Lebel... .01% .01% .01%
310 Bulolo... 224 224 224	75 Gurd pf. .107% 107% 107%	400 Pow Corp. 10% 10% 10%	250 Bathurst B. 4% 4% 4%	20 Loblaws... 25% 25% 25%	1,450 MacKen... 4.65 4.45 4.40
4 Calg. Fw. 70 70 70	170 Gympaum... 4% 4% 4%	1,610 Price... 22 20% 21%	280 Beaumarsh... 5% 5% 5%	200 MacKew... 40 40 40	200 McWatt... .45 .45 .48
650 Can Can... 7% 7% 7%	1,056 H. Bridge... 7 6% 7	135 Price pf. 79 78 79	300 Can Sug... 34% 34% 34%	1,010 MacLaren... 19% 19% 19%	1,350 O'Brien... .05 .04% .04%
113 Can Can pf. 95 95 95	900 Hring... 14% 14% 14%	62 Que Pow... 16% 17 17	200 Brew & Dist. 12% 13% 13%	700 Massey pf. 57% 57% 57%	47,500 Pandora... .10 .07 .08
350 Can N.Wr. 174 167 167	320 H. Smelt... 20% 20% 20%	500 Eng... 5 5 5	2,374 Cdn Brew... 23% 23% 23%	50 McColl pf. 96 96 96	300 Pato... 2.35 2.30 2.33
4,973 Can S S pf. 17% 17% 17%	29 HwSmelt pf. 102 101 102	10 Holl. & Wm... 18 18 18	228 B C Pack... 19% 19% 19%	180 Melch pf. 6 6 6	6,050 Perron... 2.11 2.00 2.00
75 Cdn Brn... 43 43 43	1,360 Hud By Mn... 31% 30 30%	10 Holland Ind. 18 18 18	1 Cal Pow pf. 99 99 99	225 Mitchell... 14% 14% 14%	300 Pick Cr... 3.90 3.85 3.90
926 Cdn Car... 14% 13% 13%	1,042 Imp Oil... 14% 14% 14%	10 Roland pf. 102 102 102	155 Cdn Vicks... 84% 74% 74%	225 Moore Cr. 45 45 45	4,450 Pow Rouyn... 1.22 1.22 1.22
21 Dom Car pf. 254 254 254	1,720 Imp Tob... 15% 15% 15%	105 Sud. Brew... 100 100 100	1,160 Cdn Vicks... 84% 74% 74%	68 Pipe Corp... 108 109 109	200 Price West... .03 .03 .03
3,460 Cel... 33 31% 33	100 Imp Top pf. 7 6% 6%	30 Simp pf. 100 100 100	20 Can Mat... 36% 36% 36%	35 Pipe Corp... 30 30 30	700 St. Anthony... .20 .20 .20
95 Cel pf... 125 125 125	235 Ind Acp... 27% 27% 27%	280 Sticp A pf. 19 17% 19%	94 C N Pow pf. 110 108 109	36 Pow Cr pf. 100 100 100	5,600 Shawkey... .05 .04% .04%
30 Cnvrtrs. 174 17 17%	2 Int Coast pf. 120 120 120	2 St. Ilt. F' pf. 120 120 120	15 C Vin... 14 14 14	175 ProvInTrans... 7% 7% 7%	1,927 Sheritt... 1.03 1.00 1.00
695 Cnvtors A. 3% 3% 3%	320 L. Bronze... 22 21% 21%	1,811 Shadwln... 12% 12% 12%	320 Sud. Pow... 1.70 1.65 1.65	20 Que Tel... 4% 4% 4%	2,400 Silco... .80 .75% .77
15 Col. Loc... 11 11 11	1,850 Cnvtors pf. 20 20 20	300 Sud. Pow... 12% 12% 12%	175 Cdn Brew pf. 20 20 20	85 Royaltie... 35 34% 35	7,300 Siadlen... .47 .38 .38
5,720 C P R. 64 64 64	1,953 Nickel... 44% 44% 44%	300 Sud. Pow... 12% 12% 12%	40 C G I Trust... 91% 91% 91%	16 S Cn Pf 110% 110 110	9,383 Stada... .09% .09% .09%
40 Cockshut... 82 82 82	1,245 Int Pet... 21% 21% 21%	300 Sud. Pow... 12% 12% 12%	6 Cif Tru... 20 20 20	100 Thrift pf... 7 6% 6%	4,125 Sullivan... .93 .92 .92
458 Smelters... 46 46 46	230 Int Pw... 4% 4% 4%	300 Sud. Pow... 100 100 100	15 Cdn Lght... 17% 17% 17%	4 Unl Sec... 3 3 3	200 Sylvanite... 3.35 3.35 3.35
740 Seagram... 23% 23% 23%	165 Int Pw pf. 90 90 90	300 Sud. Pow... 80% 80% 80%	1,160 Cdn Vicks... 74% 74% 74%	630 Walkers... 42 42 42	200 Sylvanite... 3.35 3.35 3.35
30 Seagram pf. 94 94 94	100 Lake Wds. 25 24 24	300 Sud. Pow... 80% 80% 80%	155 Cdn Vkr pf. 33 31 33	200 Walkers pf. 20% 20% 20%	200 Waite Amer... 5.50 5.50 5.50
532 Dom Brid... 384 38 38	11 Lk Wds pf. 128 128 128	300 Sud. Pow... 10 10 10	20 Catelli... 13% 13% 13%	200 Waite Amer... 2.25 2.25 2.25	126,550 Wood Cad. 31 25 25
915 Dom Cl pf... 21% 21% 21%	700 Lang... 16 16 16	300 Sud. Pow... 6 5% 5%	40 Celtic Knit... 2 2 2	600 Wr Harg... 7.85 7.85 7.85	600 Wr Harg... 7.85 7.85 7.85
122 Dom Gf pf... 122 122 122	1,000 L. Bronze... 1% 1% 1%	400 Eng. El. 20 20 20	40 Celtic Knit... 20 20 20	1,400 Dermac... 33 30% 30%	OIL STOCKS
8 Dom Gf pf. 150 150 150	35 Legare L. 7% 7% 7%	50 Wabana... 28% 28% 28%	400 Eng. El. 20 20 20	1,000 Amherst... .05 .05 .05	1,200 Anglo-Can... 1.02 1.00 1.00
2,650 S & C B 14% 14% 14%	225 Lindsey... 5% 5% 5%	45 W Groc pf. 110 110 110	500 Eng. El. 20 20 20	9,000 Beaufor... 12 12 12	200 Brown... 18 18 18
60 Dom Store... 54 54 54	505 Massey... 6% 6% 6%	450 Wilslis Dom 23% 23% 23%	1,835 Con Al... 34 3 3	100 Bigdog Kirk... 12 12 12	500 Dal Oil... .50 .48 .48
290 Dom Tar... 7 6% 6%	354 McColl... 8% 8% 8%	200 Wps Ei. A. 24% 24% 24%	1,210 Cons Pap... 7% 7% 7%	250 Big Miss... 11 10 11	1,000 Dom... .07 .06% .07
5 Dom Tar pf. 874 874 874	5 Mt. Cot pf. 110 110 110	85 Wps Ei. B. 2% 2% 2%	2,140 Cons Pap... 7% 7% 7%	1,000 Bous Dom... .04% .04% .04%	6,830 House... 2.93 2.75 2.82
227 Dom Tax... 89 88% 88%	9,758 Mill Pow... 31% 31% 31%	35 Wps Ei. Pf. 12 12 12	334 Con Dom Sc... 10 10 10	1,000 Dom... .04% .04% .04%	9,500 Homestead... .07 .06% .07
7 Dom Tx pf. 155 155 155	65 Mt. Tel... 45 44 45	85 Woods pf. 60 58 60	41 Con D B pf. 9% 9% 9%	15,600 Cent Cad... .20 .18 .18	180 Okala... 1.21 1.21 1.21

Canada are now building, or are at least on order. The latest orders were for trainer planes and include 100 "Harvards" to be built by the Noorduyn Aviation Company. The de Havilland Aircraft Company of Canada has an order for 404 Tiger Moth trainers, and the Fleet Aircraft Company has received an order for an equal number of primary trainer planes. The Financial Times has also reported a second order from the British Government for bombers supplementing its initial order, amounting to \$10,000,000. The recipients of these orders include the companies that are members of Canadian Associated Aircraft—Canadian Car, Ottawa Car, Fairchild, National Steel Car and Canadian Vickers.

All in all, The Financial Times of Montreal estimates that at least \$100,000,000 of war contracts have been let by the Dominion Government since July. The airplane companies are certain to be working at capacity for the coming year with orders now on hand. It is equally certain that they will be operating at full tilt for the duration of the war. Probably the same can be said for the Canadian ship yards, which are now working on orders for \$25,000,000 of smaller naval ships. Incidentally, the above \$100,000,000 is exclusive of the \$25,000,000 of railway equipment ordered by the government at the outbreak of the war. It is also exclusive of British Government orders and expendi-

CANADIAN WAR SUPPLIES ORDERED FOR THE MILITIA		
	Ordered.	Delivered.
Trousers	100,000	46,856
Blouses	100,000	49,190
Blankets	235,000	195,596
Ankle boots	120,000	113,235
Suspenders	89,500	83,784
Button sets	109,500	105,500
Toothbrushes	109,500	94,000
Caps (comforter)	84,500	84,500
Caps (field service)	73,000	42,500
British warmers (overcoats)	675	675
Gran. drab coats	20,000	5,000
Combs	100,500	94,000
Field dressings	42,000	35,000
Hold-alls	99,000	50,600
Clothes repair kits	118,000	42,000
Kit bags	59,500	32,000
Cutlery	189,000	189,000
Razors	74,500	74,500
Razor blades	465,000	465,000
Khaki wool shirts	95,000	24,600
Socks	305,000	176,500
Towels	139,000	130,000
Underwear suits	183,600	168,000
Knife, fork and spoon sets.		



tures. By September, 1940, total Dominion Government defense expenditures are expected to reach \$400,000,000.

The accompanying table gives figures on the orders placed by the Dominion Government for supplies for the militia—the

ties Corporation, the peacetime production of gloves has now expanded tenfold and that of blankets has tripled as the direct result of War Supply Board orders.

S. L. MILLER.

#### WHOLESALE COMMODITY PRICES

(1926=100.0)

	Jan. 19, 1940.	Jan. 22, 1940.	Jan. 20, 1939.
All commodities	82.3	82.2	73.2
Vegetable products	73.3	73.0	60.1
Animal products	80.0	79.8	73.1
Textile products	82.1	82.3	66.2
Wood and paper	85.4	85.4	76.2
Iron products	102.6	102.6	97.7
Nonferrous metals	76.0	76.2	70.3
Nonmetallic minerals	87.0	86.8	86.3
Chemicals	85.7	86.9	78.8
Canadian farm products	70.3	69.9	64.8
Industrial materials	78.6	78.0	64.4
Sensitive commodities	68.2	68.5	53.4
Wood-Gundy index for Jan. 24, 1940, Jan. 17, 1940, and Jan. 25, 1939.			

Wood-Gundy index for Jan. 24, 1940, Jan. 17, 1940, and Jan. 25, 1939.

#### Toronto Stock Exchange DAILY CLOSING AVERAGES

	20	20	15 West.
1940.	Industrials.	Gold.	Oils.
Jan. 19.	122.1	119.9	31.6
Jan. 20.	122.1	119.8	31.7
Jan. 21.	122.0	119.6	31.6
Jan. 22.	122.2	119.8	31.7
Jan. 23.	122.7	119.9	32.0
Jan. 24.	122.7	120.1	31.8
Jan. 25.	122.1	119.6	31.7
Jan. 26.	122.2	119.7	31.5
Jan. 27.	122.1	119.9	31.1
Jan. 28.	121.7	119.9	31.1

#### SHARES SOLD

	Week Ended
Jan. 27.	Jan. 28.
Monday	366,000
Tuesday	432,000
Wednesday	319,000
Thursday	275,000
Friday	309,000
Saturday	148,000
Total	1,849,000
	4,554,000

#### Montreal Stock Exchange DAILY CLOSING AVERAGES

	10	20	10 Pulp	15
1940.	Utilities.	Industrials.	and Paper.	Gold.
Jan. 19.	67.3	86.9	136.6	97.1
Jan. 20.	67.4	87.2	135.4	96.6
Jan. 21.	67.5	87.8	135.4	96.6
Jan. 22.	67.5	88.1	137.2	96.2
Jan. 23.	67.5	88.9	141.9	96.4
Jan. 24.	67.6	88.4	140.1	96.5
Jan. 25.	67.7	87.6	139.0	96.9
Jan. 26.	67.7	87.6	136.8	96.4
Jan. 27.	67.7	87.5	136.3	96.6

#### SHARES SOLD

	Week Ended
Jan. 27.	Jan. 28.
Monday	112,900
Tuesday	100,600
Wednesday	90,000
Thursday	52,100
Friday	52,200
Saturday	28,200
Total	436,100
	670,000

Week Ended

#### Transactions on the Toronto Stock Exchange

Saturday, Jan. 27

#### CANADIAN STOCKS

INQUIRIES INVITED

A. E. AMES & CO.  
INCORPORATED

TWO WALL STREET, NEW YORK

STOCK EXCHANGE STOCKS		STOCK EXCHANGE STOCKS		STOCK EXCHANGE STOCKS		STOCK EXCHANGE STOCKS	
Sales.	High.	Low.	Last.	Sales.	High.	Low.	Last.
2,000 *Abitibi ...	6	6	6	1,048 Hudson Bay ...	31 1/4	30 3/4	30 3/4
1,188 Abitibi 6% pf	17 1/2	16	16%	958 Diet. Seag. ...	23 1/2	23	23%
1,100 *Acme Gas 5% 5%	96	95	96	15 Dis Gas pr ...	97 1/2	97	97
1,200 *Ajax O&G 2% 20	20	20	1000 Dom Coal ...	205	205	205	205
25 A P Grain ...	24	24	24%	210 Dom Coal pf ...	21	21	21%
120 A P Gr's of 33% 33	33	33	1,214 Dom Fdry ...	34 1/2	34	34	34
12,675 Aldermac ...	31	31	31	25 DomSclv. pr ...	30	30	30
5,830 Algom. Slt. 15% 15	15	15	100 Can Pow 17 ...	17	17	17	17
5 Algo Stn. of 92% 92%	95	95	100 Can Pow 17 ...	17	17	17	17
12,100 Anglo Gold 5% 5%	20	20	100 Can Pow 17 ...	17	17	17	17
15,525 Anglo Cdn. 102 ...	98	100	100 Can Pow 17 ...	17	17	17	17
700 Angl. Hr. 240 240	240	240	100 Can Wire 18 ...	18	18	18	18
57,865 Arntfield ...	16	12	13%	100 Can Wire 18 ...	18	18	18
1,000 Ashley ...	56	56	56	100 Eng Elec A ...	33	32	32
2,312 Astor Que ...	24	24	24%	100 Eng Elec A ...	27	27	27
12,349 Astor Que ...	24	24	24%	100 Eng Elec A ...	27	27	27
4,078 Beaumaris ...	22	22	22%	100 Eng Elec A ...	27	27	27
7 Br. of N. S. 310 310	310	310	310	100 Eng Elec A ...	27	27	27
6,410 Besse Metal 27	24	24	24%	100 Eng Elec A ...	27	27	27
1,287 Bath Pw A 15% 14%	14	14	14%	100 Eng Elec A ...	27	27	27
13,500 Besse Eng. 4% 4%	4	4	4%	100 Eng Elec A ...	27	27	27
2,910 Besse Eng. 4% 4%	4	4	4%	100 Eng Elec A ...	27	27	27
2,910 Besse Eng. 4% 4%	4	4	4%	100 Eng Elec A ...	27	27	27
1,210 Br. Bath Pw A 15% 14%	14	14	14%	100 Eng Elec A ...	27	27	27
2,210 Cdn Celan ...	33 1/4	33	32%	100 Eng Elec A ...	27	27	27
50 Cdn Celan ...	33 1/4	33	32%	100 Eng Elec A ...	27	27	27
2,210 Cdn Celan ...	33 1/4	33	32%	100 Eng Elec A ...	27	27	27
1,020 Cdn Dredg ...	125	124	125%	100 Eng Elec A ...	27	27	27
1,020 Cdn Dredg ...	125	124	125%	100 Eng Elec A ...	27	27	27
370 Cdn InAl ...	3%	3%	3%	100 Eng Elec A ...	27	27	27
370 Cdn InAl ...	3%	3%	3%	100 Eng Elec A ...	27	27	27
236 Bell Phone. 168 168	168	168	168	100 Eng Elec A ...	27	27	27
11,500 *Bigod ...	13	13	13%	100 Eng Elec A ...	27	27	27
2,000 *Biltmore ...	10	10	10%	100 Eng Elec A ...	27	27	27
2,000 *Biltmore ...	10	10	10%	100 Eng Elec A ...	27	27	27
5,120 *Biltmore ...	6%	6%	6%	100 Eng Elec A ...	27	27	27
2,400 *Bob ...	8%	8%	8%	100 Eng Elec A ...	27	27	27
814 Bralorne ...	11	11	11	1			

## Financial News of the Week

**A**SPECTACULAR spurt in railroad equipment orders pushed fourth-quarter profits of the American Steel Foundries to the highest point since 1924, with the single exception of the final three months of 1929. After allowance for seasonal factors, profits in the three months ended Dec. 31 totaled \$1,456,000, compared with only \$16,000 in the preceding three months and an adjusted loss of \$63,000 in the fourth quarter of 1938.

For all of 1939 the company reported net profits of \$1,389,000, or \$1.15 a share of common stock, compared with a net loss of \$1,750,000 in 1938. Sales for 1939 totaled \$18,725,000, an increase of 53 per cent, contrasted with the previous year, and the largest since 1937.

Although the current volume of railroad equipment orders is much below that of September and October, it is far above the early part of 1939. In the first three weeks of this year 68,942 tons of rail were ordered, against only 34,700 in the comparable weeks of last year. One hundred freight cars have been ordered, against only three a year ago, while twenty-four locomotives have been placed, compared with five in 1938. Current business in passenger cars and structural steel is below last year, although the declines are small.

Important items from the annual reports of American Steel Foundries since 1929 are given in the accompanying table. Similar data back to 1925 were given in THE ANNALIST of Dec. 18, 1936.

Profits of the Bethlehem Steel Corporation in the final quarter of last year were \$13,029,000, the largest in history and three and one-half times earnings in the three months ended Dec. 31, 1938. The earnings report indicates that the company has been able to absorb higher wages and taxes with no impairment of earning power. The previous high record was in the June quarter of 1929 when the company cleared \$11,766,000.

The company's fourth-quarter results could have been even better except for certain non-recurring charges. An inventory reserve of \$2,000,000 was charged against earnings instead of earned surplus, and a charge of \$1,040,000 was made against profits representing property losses in previous quarters. The company failed, however, to add to fourth-quarter earnings \$728,000 net profit from property sales, which was credited to surplus.

For the full year Bethlehem earned \$24,638,000, or \$5.75 a common share, as compared with \$5,250,000, or about 70 per cent of preferred dividends, in 1938. In 1937 the company earned \$7.64 a share and in 1929, \$11.01 a share.

The company surprised Wall Street by calling for redemption on April 1 all of the \$18,678,000 of 5 per cent preferred stock. This will save about \$935,000 annually.

Bookings during 1939 totaled \$538,368,000, the largest peacetime total on record and close to the \$559,000,000 reached in 1917 at the top of the war boom. Unfilled orders at the close of last year were \$287,000,000, also the largest peacetime total in history and enough to keep the company operating at a high rate for six months.

Eugene Grace, president of Bethlehem, reported that current operations were at 91 per cent of capacity, while incoming business was only 50 per cent of capacity. The company is eating into backlog, but Mr. Grace considers the 50 per cent rate satisfactory in view of inventory takings and the circumstance that it follows one of the biggest buying movements in history.

Profits of the Freeport Sulphur Com-

pany in the fourth quarter of last year totaled \$1,163,000, the largest since the December quarter of 1929 and sharply above the \$247,000 reported in the final three months of 1938.

The unusually good results reflect a record-breaking demand for sulphuric acid during the last three months of 1939. While sales to fertilizer companies were only slightly above normal, demand from steel mills, glass companies, paint manufacturers and the petroleum industry was of huge proportions.

According to trade reports, there has been some slackening in sales since mid-November, but the current rate is still far above a year ago.

For all of 1939 Freeport Sulphur reported net profits of \$2,201,000, or \$2.76 a common share, and the largest since 1937, when profits aggregated \$3.30 a common share.

Important items from the annual reports of the company since 1929 were given in the issue of Sept. 7, 1938.

### INDUSTRIALS

Figures in Parentheses Give Date of Last Previous Item

Allis Chalmers (1-18-40)—Unfilled orders at the close of 1939 totaled around \$20,000,000, compared with \$18,335,726 at the end of September and \$10,411,411 on Dec. 31, 1938.

Aluminum Company of America (1-18-40)—Company plans addition to melting room at Arnold plant and a warehouse and office building at New Kensington, Pa.

American Locomotive (1-11-40)—This company has received an order from Chilean State Railways for ten heavy mountain-type locomotives, valued at more than \$1,000,000.

American Smelting and Refining (1-25-40)—Company has reduced price of domestic copper to 12 cents a pound.

Anaconda (1-18-40)—American Brass Company, subsidiary, has reduced prices of all copper products and alloys containing 90 per cent or more copper 1/2 cent a pound. All alloys containing less than 90 per cent copper were reduced 1/2 cent. Everdur metal was lowered 1/2 cent a pound and phosphor bronze A and B was cut 1 cent.

Armour (III) (1-18-40)—President said favorable trend evident during the closing months of last fiscal year has continued. Operations in November and December were profitable and the January results to date are satisfactory with tonnage near record levels.

Auburn Automobile (1-25-40)—Federal Judge Slick, Fort Wayne, Ind., has approved plan for reorganization of Auburn Automobile Company under Section 77B of Bankruptcy Act. J. K. McGowan, chairman of board, testified that Auburn had orders for \$1,750,000 for 1940, a monthly payroll of \$30,000 and 450 to 500 men at work. Company discontinued manufacturing automobiles in 1937. It now makes automobile bodies, sheet metal stampings, sinks and cabinets.

Autocar (2-18-38)—Company has filed with SEC a registration statement covering 121,097 shares of common stock, or 6.29 per cent of the total amount outstanding, as a step in a transaction by which Phoenix Securities Corporation, owner of the registered shares, will dispose of its controlling interest in Autocar. Stock will be underwritten and offered to the public at the then current market price by Allen & Co. and Bond & Goodwin, Inc., and the entire net proceeds will accrue to Phoenix Securities. Based on an estimated offering price of 9%, gross proceeds of the sale would amount to \$1,135,284.

Baldwin Locomotive (12-28-39)—Company has received a contract from Chilean State Railways for five heavy mountain-type locomotives and six additional engines of other types.

Directors have voted to pay March 1, 1940, coupons on refunding mortgage bonds, 6 per cent convertible series, due 1950, in preferred stock instead of cash. For each \$30 coupon one share of 6% per cent \$30 par preferred stock would be issued. Dividends on this stock would accumulate from March 1, 1940.

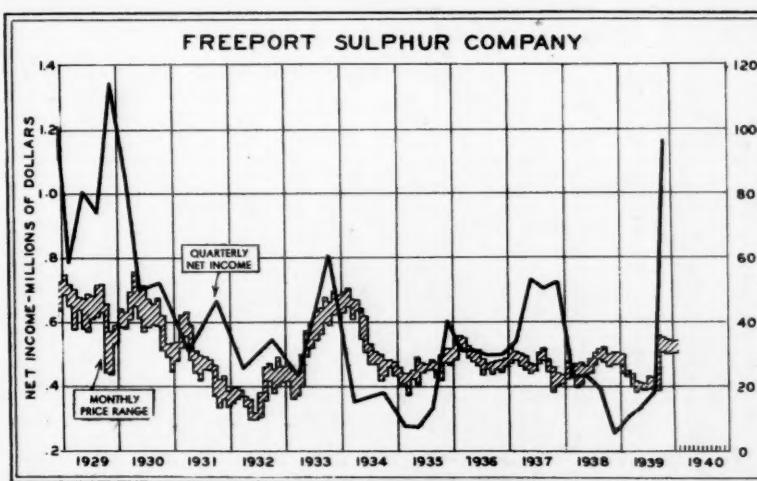
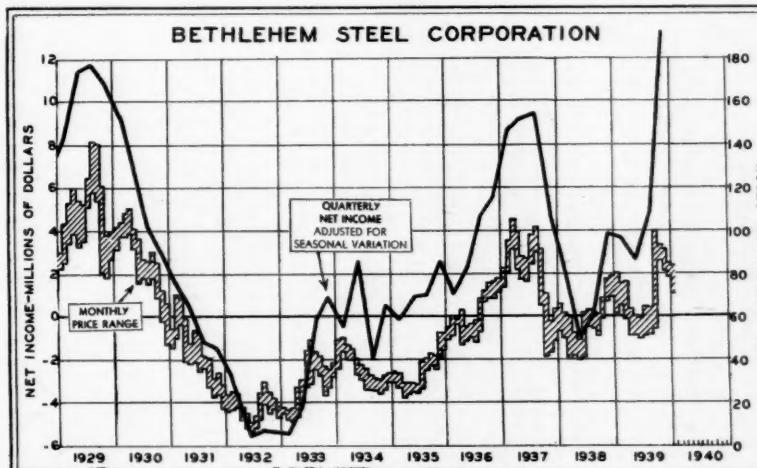
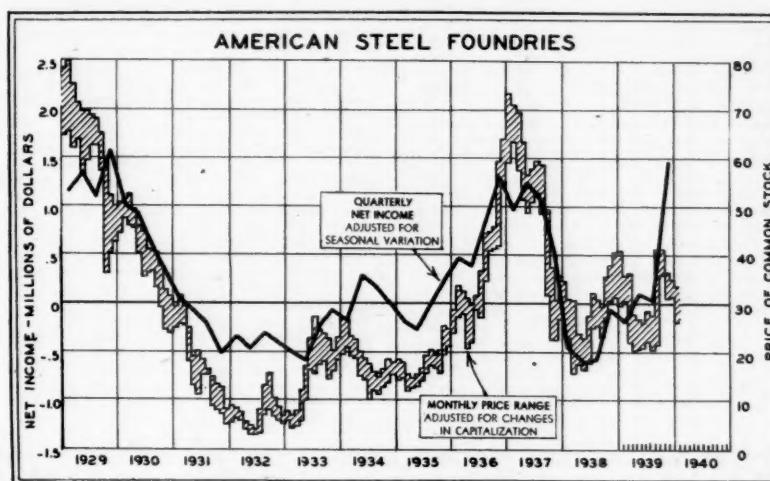
Bethlehem (1-25-40)—E. G. Grace, president,

### DIVIDEND NOTICES

#### United Shoe Machinery Corporation

The Directors of this Corporation have declared a special dividend of \$1.50 per share on the Common capital stock payable February 14, 1940, to stockholders of record at the close of business January 30, 1940.

CHARLES G. BANCROFT, Treasurer.



American Steel Foundries									
Years Ended Dec. 31:	Sales.	Operating Income.	Depre- ciation.	Federal Taxes.	Net Income.	Earned a Share.	Common Dividends.	Surplus for Year.	(Thousands)
1929.....	\$6,495	\$1,412	\$519	\$5,121	\$4.70	\$2.911	\$1,755		
1930.....	3,922	1,188	314	2,801	2.37	2.979	621		
1931.....	9	978	—	7,791	11.24	1,241	42,476		
1932.....	593	1,000	—	11,526	11.99	—	11,931		
1933.....	478	959	—	11,401	11.85	—	11,515		
1934.....	\$11,651	1,168	931	75	245	10.16	—	132	
1935.....	11,250	906	704	87	117	10.28	—	6	
1936.....	23,043	4,626	1,107	561	2,953	2.65	970	767	
1937.....	35,972	5,912	1,315	778	3,618	3.05	2,266	1,157	
1938.....	12,207	667	843	131	11,750	11.47	297	2,047	
1939.....	18,725	551	990	333	1,369	1.15	—	—	
Invested Capital.									
1929.....	\$54,634	10.4	\$32,139	—	\$8,521	\$14,600	4.81	\$14,656	
1930.....	53,647	5.2	31,603	—	10,340	13,696	6.26	13,586	
1931.....	50,962	d1.5	30,684	—	8,193	11,720	9.15	10,951	
1932.....	47,816	d3.2	29,785	—	7,508	10,629	9.46	8,835	
1933.....	46,006	d1.0	25,847	—	5,736	9,680	12.94	7,363	
1934.....	53,119	0.6	26,502	249	7,026	13,333	13.26	7,325	
1935.....	42,580	0.3	26,636	1,227	5,456	10,588	10.33	10,315	
1936.....	42,857	6.9	26,602	2,468	5,674	11,381	6.28	4,226	
1937.....	46,553	7.8	31,527	2,686	7,475	13,505	6.51	4,789	
1938.....	43,715	d4.0	18,064	1,261	6,198	11,175	9.68	1,962	
Not available at time of publication.									
d Deficit.									

disclosed that plans are under consideration to refund the company's 4½ per cent and 3½ per cent consolidated mortgage bonds, totaling about \$102,000,000. He indicated that another dividend will be paid on common stock in the second quarter of current year, although not specifying any amount.

Company will call as of April 1, 1940, the \$20 par 5 per cent preferred stock outstanding in an amount between \$18,000,000 and \$19,000,000.

**Blew-Knox** (12-17-39)—Company has filed a registration statement with SEC covering \$3,000,000 first mortgage 3½ per cent bonds, due Feb. 1, 1950. Proceeds will be used to pay off \$2,500,000 short-term bank loans and to provide additional working capital.

**Borg-Warner** (11-23-39)—Norge division announced a six-foot electric refrigerator to sell at \$119.95, a reduction from \$129. Norge also will have another six-foot size at \$139.95 and an eight-foot model at \$189.95.

Shipments of Norge refrigerators, ranges and washers for December, 1939, increased 75 per cent over same 1938 month. January 1940, shipments are expected to be more than double January, 1939, total.

**Budd**—See item under Chicago, Burlington & Quincy.

**Carrier Corporation** (12-21-39)—Sales in 1939

showed a gain of 12 per cent over preceding year.

**Continental Motors** (12-14-39)—Company has received aggregate bids of \$374,000 for its Detroit properties at public auction. Properties are carried on books at approximately \$1,400,000. Possible acceptance of the bids by directors is contingent upon ratification by RFC and upon directors' decision whether to dispose of the properties now or attempt to secure a higher price at later date.

**Crosley** (8-17-39)—Company is bringing out a six-foot refrigerator with porcelain interior, electric light and shelves for \$99.95, carrying a five-year guarantee. Crosley also would have a six-foot box at \$119.95 and a de luxe model of the same size at \$139.95, as well as four-foot and five-foot models at \$119.95.

**Evans Products** (12-14-38)—Company plans construction during current year of a \$1,000,000 plywood plant at Lebanon, Ore.

**Fisk Rubber** (1-25-40)—Company has called outstanding preferred stock for redemption on Feb. 23, 1940, at \$110 a share and accrued dividends at Central Hanover Bank and Trust Company, New York. Company announced that a new meeting of stock-

holders to consider dissolution probably will be called soon. A meeting on Jan. 19 was adjourned without action.

**Ford Motor**—See item under United States Steel.

**General Cable** (8-5-38)—Company has reduced prices of bare, magnet and weather-proof wire and cable ½ cent pound.

**General Electric** (1-18-40)—Navy Department has awarded \$243,569 contract for control and switch gear and an \$83,215 contract for gauges to this company.

**General Motors** (1-18-40)—Retail sales of Chevrolet cars and trucks in first twenty days of January totaled 47,293 units, a gain of 41½ per cent over corresponding period of 1939. Buick retail sales in the first twenty days of January were at a record level for this season and 51.9 per cent greater than for the like 1939 period. Olds division reports that retail volume for the second ten days of January was the second largest on record for the period.

**General Shoe** (3-15-39)—Net shipments increased 24 per cent during November-December, 1939, over the same period of 1938.

**Goodyear** (1-18-40)—One of America's larger airplane manufacturers is completing negotiations with this company's subsidi-

ary, Goodyear Aircraft Corporation, for manufacture of a quantity of metal and metal and fabric airplane tail surfaces.

**Graham-Paige** (9-21-38)—Company has obtained a loan of \$2,000,000 and an additional revolving fund commitment of \$500,000 from RFC, as well as an additional \$300,000 through private sale of convertible notes.

Of the RFC loan, \$1,525,285 already has been disbursed. After paying the \$750,000 balance of a previous RFC loan and liquidation of other liabilities, principally deferred creditors' claims, effect of the new financing is to reduce Graham's deficit from operations by \$1,260,000 and provide cash of \$783,838 and net working capital of \$998,508, exclusive of the \$500,000 revolving fund, which will be used to finance receivables and finished car inventories.

Graham is placing parts of materials commitments and will get into preliminary production on its expanded line of motor cars in February with final assemblies scheduled for early March. In addition to its own lines, it will manufacture for account of Hupp Motor Car Corporation the body, chassis and other major parts for the latter's Skylark models.

**Kennecott Copper** (1-25-40)—Company has

## Dividends Declared

Since Previous Issue  
of The Annalist

## and Awaiting Payment

Regular:	Hldrs.	Pe.	Pay.	of	Company.	Rate.	riod.	able.	Rec.	Hldrs.	Pe.	Pay.	of	Company.	Rate.	riod.	able.	Rec.	Hldrs.	Pe.	Pay.	of	Company.	Rate.	riod.	able.	Rec.	Hldrs.	Pe.	Pay.	of	Company.	Rate.	riod.	able.	Rec.								
Company.		Rate.	riod.	able.	Rec.									Company.		Rate.	riod.	able.	Rec.					Company.		Rate.	riod.	able.	Rec.					Company.		Rate.	riod.	able.	Rec.					
Abercrombie Fitch	.50c	1-27	1-24			First Nat Bk (Morristown, N. J.)	.50c	2-1	1-25	Parker (SC) & Co Ins A.50c	Q	2-1	1-25	Signode St Strap ...	.25c	2-9	2-5			Wayne Pump	.50c	4-1	3-16	Webster & Atlas N. Bk	\$1	8	1-31	1-26																
Aia Pwr pf.	\$1.25	Q	2-1	1-24		First Nat Bk & Trust (Macon, Ga.)	.20c	Q	2-1	Parker (SC) & Co pf. 10c	Q	2-1	1-25	Signode St Strap pf. .62½c	Q	2-9	2-5			Weich G Juice pf.	\$1.75	Q	2-29	2-15																				
Alpha P Cem.	.25c	3-25	3-1			First Nat Bk & Trust (Macon, Ga.)	.20c	Q	2-1	Philco Co pf.	.30c	2-1	1-24	Soundview Pulp ...	.15c	2-25	2-15			Weich G Juice	.3175	Q	5-31	5-15																				
Aloe (A) Co.	.50c	2-1	1-22			First Nat Bk & Trust (Macon, Ga.)	.20c	Q	2-1	Philco Insul Wire	.15c	2-1	1-20	So Cal Edison of B. 37½c	Q	3-15	2-20			Weich G Juice	.3175	Q	8-31	8-15																				
Ames Amusement Co.	.50c	3-15	3-1			First Nat Bk & Trust (Macon, Ga.)	.20c	Q	2-1	Phillips Pet.	.50c	3-1	2-2	Stamford Water Co.	.40c	2-1	1-25			Westchester Fire Ins.	.30c	2-1	1-20																					
Am Can Tr Fd shs	.50c	1-15				First Nat Bk & Trust (New Haven, Conn.)	.50c	8	2-1	Phoenix Accep C Ap 12½c	Q	1-15	5-4	Stand Oil of Ohio	.25c	3-15	2-28			Whitaker Paper	.31	4-1	3-16																					
Am Chain & Cab pf.	\$1.25	Q	3-15	3-5		Fla Pow Cp 7% pf. A.1.75	Q	3-1	2-15	Pitney Bow Post Met. 10c	Q	2-20	2-1	Stand Oil of Ohio pf. \$1.25	Q	4-15	3-30			Whitaker Paper	.31	4-1	3-16																					
Am Gen Cp 3% pf.	.75c	3-1	2-15			Fla Pow Cp 7% pf. A.1.75	Q	3-1	2-15	Plainfield Trust (N.J.) 50c	Q	2-1	1-17	Sterling Prod.	.95c	3-1	2-15			Whitney N Blk of New Or.	.75c	2-13	1-29																					
Am Gen Cp \$2.50 pf.	.62½c	Q	3-1	2-15		Fla Pow Cp 7% pf. A.1.75	Q	3-1	2-15	Princeton Water.	.51	2-1	1-20	Sterling Prod.	.95c	3-1	2-15			Whitney N Blk of New Or.	.75c	2-13	1-29																					
Am Gen Cp 5% pf.	.50c	3-1	2-15			Fla Pow Cp 7% pf. A.1.75	Q	3-1	2-15	Publ Bk & T N.Y. 37½c	Q	4-1	3-20	Sterling Prod.	.95c	3-1	2-15			Whitney N Blk of New Or.	.75c	2-13	1-29																					
Am Re-Ins	.40c	Q	2-15	2-5		Fla Pow Cp 7% pf. A.1.75	Q	3-1	2-15	Tampa El Co pf. \$1.75	Q	2-1	1-20	Sun Oil	.25c	3-15	2-24			Whitney N Blk of New Or.	.75c	2-13	1-29																					
Am St Fdrys.	.25c	3-30	3-15			Fla Pow Cp 7% pf. A.1.75	Q	3-1	2-15	Tampa El Co pf. \$1.75	Q	2-1	1-20	Sun Oil pf.	.125	3-15	2-24			Whitney N Blk of New Or.	.75c	2-13	1-29																					
Amstel Amusement Co.	.50c	2-15				Fla Pow Cp 7% pf. A.1.75	Q	3-1	2-15	Tampa El Co pf. \$1.75	Q	2-1	1-20	Superior T & D.	.21c	2-24	2-17			Whitney N Blk of New Or.	.75c	2-13	1-29																					
Assoc Invstn Co.	.5% pf.	3-15	3-15			Fla Pow Cp 7% pf. A.1.75	Q	3-1	2-15	Tampa El Co pf. \$1.75	Q	2-1	1-20	Swan-Finch Oil pf. .37½c	Q	3-1	2-15			Whitney N Blk of New Or.	.75c	2-13	1-29																					
Assoc Teal & Co.	\$1.25	pf. 31½c	2-1	1-15		Fla Pow Cp 7% pf. A.1.75	Q	3-1	2-15	Tampa El Co pf. \$1.75	Q	2-1	1-20	Swift & Co.	.30c	4-1	3-1			Whitney N Blk of New Or.	.75c	2-13	1-29																					
AtlanticRyn\$2.50 p	pf. 62½c	Q	2-1	1-26		Fla Pow Cp 7% pf. A.1.75	Q	3-1	2-15	Tampa El Co pf. \$1.75	Q	2-1	1-20	Toronto Elev pf.	.65c	3-1	2-15			Whitney N Blk of New Or.	.75c	2-13	1-29																					
AtlanticRyn\$2.50 p	pf. 62½c	Q	2-1	1-26		Fla Pow Cp 7% pf. A.1.75	Q	3-1	2-15	Tampa El Co pf. \$1.75	Q	2-1	1-20	Toronto Elev pf.	.65c	3-1	2-15			Whitney N Blk of New Or.	.75c	2-13	1-29																					
Baldw Loc pf.	.01	Q	2-1	1-26		Fla Pow Cp 7% pf. A.1.75	Q	3-1	2-15	Tampa El Co pf. \$1.75	Q	2-1	1-20	Toronto Elev pf.	.65c	3-1	2-15			Whitney N Blk of New Or.	.75c	2-13	1-29																					
Bank of Minn.	.25c	3-1	2-15			Fla Pow Cp 7% pf. A.1.75	Q	3-1	2-15	Tampa El Co pf. \$1.75	Q	2-1	1-20	Toronto Elev pf.	.65c	3-1	2-15			Whitney N Blk of New Or.	.75c	2-13	1-29																					
Bankers & Zell Nat.	\$1.25	1-24				Fla Pow Cp 7% pf. A.1.75	Q	3-1	2-15	Tampa El Co pf. \$1.75	Q	2-1	1-20	Toronto Elev pf.	.65c	3-1	2-15			Whitney N Blk of New Or.	.75c	2-13	1-29																					
Barber Asphalt.	.25c	2-20	2-6			Fla Pow Cp 7% pf. A.1.75	Q	3-1	2-15	Tampa El Co pf. \$1.75	Q	2-1	1-20	Toronto Elev pf.	.65c	3-1	2-15			Whitney N Blk of New Or.	.75c	2-13	1-29																					
Belding Hem.	.20c	2-15	2-6			Fla Pow Cp 7% pf. A.1.75	Q	3-1	2-15	Tampa El Co pf. \$1.75	Q	2-1	1-20	Toronto Elev pf.	.65c	3-1	2-15			Whitney N Blk of New Or.	.75c	2-13	1-29																					
Beth Steel.	.01	Q	2-1	1-26		Fla Pow Cp 7% pf. A.1.75	Q	3-1	2-15	Tampa El Co pf. \$1.75	Q	2-1	1-20	Toronto Elev pf.	.65c	3-1	2-15			Whitney N Blk of New Or.	.75c	2-13	1-29																					
Beth Steel 1% pf.	.75	Q	2-1	1-26		Fla Pow Cp 7% pf. A.1.75	Q	3-1	2-15	Tampa El Co pf. \$1.75																																		

reduced price of domestic copper  $\frac{1}{2}$  cent a pound to 12 cents.

**Lockheed** (1-11-40)—A group headed by Blyth & Co., Inc., and G.-M. P. Murphy & Co. has offered at \$28.50 per share 225,000 shares of this company's \$1 par common stock. Of the new money to be raised, \$1,750,000 will be used for the development of new models, \$600,000 for new tools and machinery; \$225,000 for two assembly hangars, and \$300,000 for a research laboratory. Remainder would be added to working capital.

**Monarch Machine Tool** (1-28-37)—Business on books is large enough to insure capacity operations for practically the entire year 1940. Over half the current backlog represented domestic business.

**Nash-Kelvinator** (1-18-40)—Domestic retail deliveries of Nash cars in the first ten days of January totaled 1,710 units, an increase of 36 per cent over the corresponding period of last year.

**North American Aviation** (1-4-40)—Transport Minister of Canada has announced the placing of an order with this company for 517 Harvard planes for Great Britain.

**Philco Radio and Television** (11-23-39)—Company has announced price reductions on refrigerators with a base quotation of \$119.95 for a six-foot stripped model.

**Remington-Rand** (12-28-39)—S. M. Knapp, executive vice president, said outlook for the three months to end March 31, 1940, the final quarter of fiscal year, is the brightest in two years.

**Standard Brands** (11-16-39)—A package made of yeast, fruit and fruit juices and, in addition, photographic film would be added to this company's line during 1940, according to present plans.

**Standard Oil, Ohio** (9-17-37)—Company has reduced gasoline prices throughout Ohio  $\frac{1}{2}$  cent a gallon on all grades, effective Jan. 27, except in Canton and Muskingum County, where quoted prices were below levels prevailing in the rest of the State.

**United States Steel** (1-11-40)—Oliver Iron Mining Company, subsidiary, has sold approximately 150,000 tons of iron ore to the Ford Motor Company. While the price has not become known, it is the general impression that it was in neighborhood of \$3.75 a ton, involving a total of \$562,500. The Ford sale apparently was made at a concession of \$1.20 a ton from the \$4.95 a ton quotation, which has been recognized as the regular market on ore of 51 per cent to 53 per cent iron content heretofore, and has thus resulted in breaking a price which had been held for some time.

**Willys-Overland** (1-4-40)—Company will hereafter extend the Standard Automobile Manufacturers Association new-car guarantee on 1940 Willys cars to 100,000 miles or three years. It compares with usual guarantee of the automobile industry of 4,000 miles, or ninety days. Sales of 1940 Willys cars from introduction through Jan. 15 were 27 per cent greater than total domestic production for entire 1939 model year.

**Wright Aeronautical** (1-18-40)—Company has received \$839,675 War Department contract for engines.

#### RAILROADS

**Boston & Maine** (1-11-40)—Several banks holding \$5,500,000 of Boston & Maine notes have agreed to take new first mortgage bonds in satisfaction of the note. This action satisfied one of major conditions in plan of exchange laid down by RFC in agreeing to take \$40,750,000 of the railroad's first mortgage bonds to satisfy the notes now held by RFC and to furnish \$26,000,000 in cash for those of the bondholders who elect to take cash.

**Chicago, Burlington & Quincy** (11-16-39)—Company has ordered from E. G. Budd Manufacturing Company a new Zephyr train, the tenth of its series. It will operate between Lincoln and Kansas City via Omaha, replacing the present Zephyr, which will be assigned to another division.

**Chicago, Rock Island & Pacific** (1-25-40)—A group headed by Salomon Bros. & Hutzler has bid in at a price of 100.815 \$20,400,000  $\frac{1}{4}$  per cent equipment trust certificates of this company.

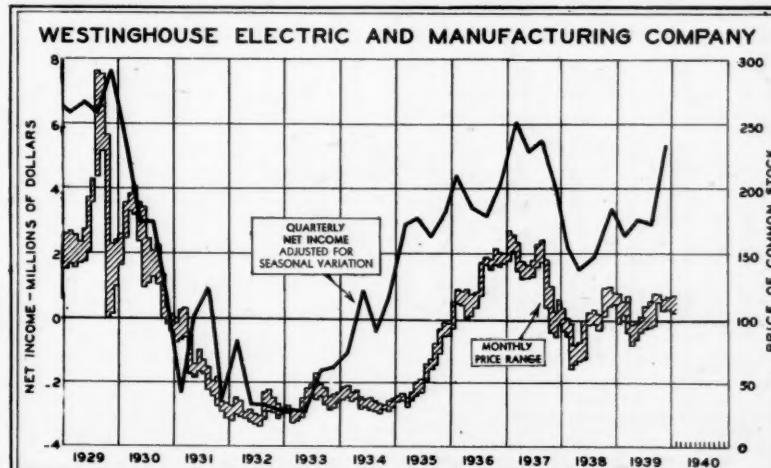
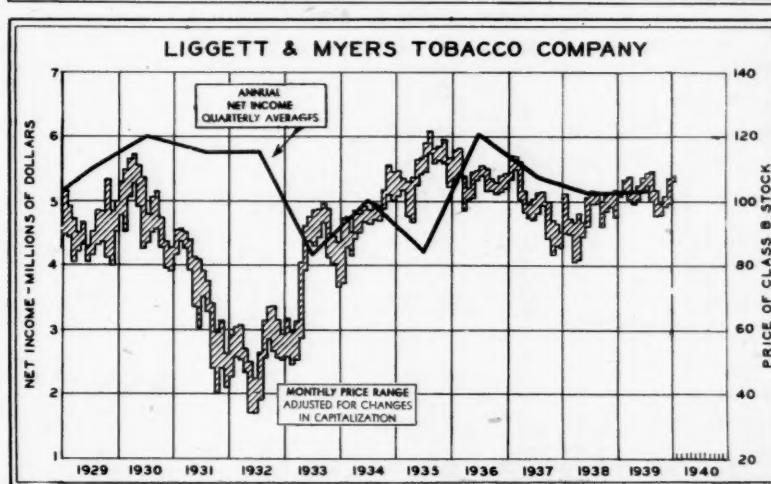
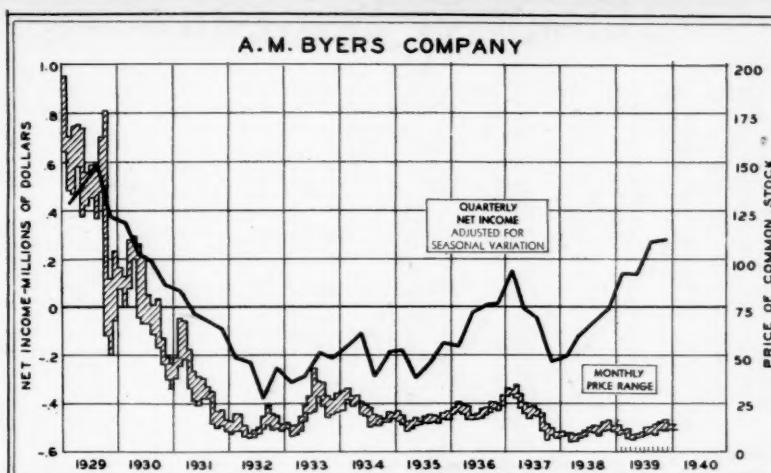
**Pearl & Eastern** (2-25-38)—Company has filed with I. C. C. a bond adjustment plan to be carried out under Chapter 15 of the Chandler bankruptcy act.

#### UTILITIES

**American Telephone and Telegraph** (12-21-39)—Federal Communications Commission has decided to conduct studies of the possibility of further reductions in long-distance rates of American Telephone and Telegraph Company. Commission's decision followed a demand by Commissioner Paul A. Walker that commission act immediately with a view to bringing about a reduction of at least \$10,000,000 annually in long-distance rates.

A. T. & T. System has projected for first quarter of current year a construction program involving an expenditure approximately 20 per cent greater than in like period of 1939 and around 10 per cent higher than similar outlays in the first three months of 1937. Schedule as now outlined contemplated the use of roughly \$35,000,000 for new telephone plant in the three months to March 1, 1940.

Continued on Page 222



#### CORPORATE NET EARNINGS

##### INDUSTRIES

Company.	Net Income 1939.	Com. Share Earnings 1939.	Net Income 1939.	Com. Share Earnings 1939.
Allied Mills, Inc.	\$1,407,658	\$986,808	\$1,73 h\$1.04	
American Steel Foundries	1,750,235	1.15		
Atlantic Refining Co.	5,028,000	4,310,913	1.66	1.40
Austin, Nichols & Co., Inc.	2,777	*96,487		
Aviation & Transportation Co.	386,799	*212,316		
Ayrshire Patoka Collieries Corp.	195,080			
Baldwin Rubber Co.	160,678	156,843	.51	.49
Belding-Corticelli, Ltd.	112,712	97,804	6.95	4.96
Bethlehem Steel Corp.	13,028,928	3,658,160	h3.74	h.56
Bliss & Laughlin, Inc.	24,638,394	5,250,230	h5.75	x..
Brewing Corp. of America	672,422	52,062	h2.49	h.19
Building Products, Ltd.	487,597	373,904	1.01	.77
Byers Co., A. M.	241,757	*46,599	.53	
	824,606	*387,659	1.61	

Net Income Com. Share Earnings  
Company. 1939. 1938. 1939. 1938.

Hecker Products Corp.: 415,375 508,592 h.26 h.29

6 mo., Dec. 31. 689,940 1,070,938 h.43 h.61

Heller, Walter E. & Co.: 510,000 485,796 h.15 h.32

Hilton-Davis Chemical Co.: 6 mo., Dec. 31. 129,062 65,792 .80 .35

Inspiration Consol. Copper: n Yr., Dec. 31. 328,914 \*324,616 .70 ...

Keystone Steel & Wire Co.: Dec. 31 qr. 418,489 115,728 .55 .15

6 mo., Dec. 31. 692,412 198,952 .91 .26

Kinney (G. R.) Co., Inc.: Yr., Dec. 31. 337,278 151,508 6.92 r.243

Klein Co., Inc., D. Emil: Dec. 31. 132,095 141,278 1.48 1.51

Langendorf United Bakeries, Inc.: v26 wks., Dec. 30 180,567 235,560 b.75 b.125

Lefcourt Realty Corp.: Dec. 31 qr. \*71,163 ... ...

Liggett & Myers Tobacco Co.: Yr., Dec. 31. 20,705,549 20,560,884 6.13 6.08

Long Star Cement Corp.: n Yr., Dec. 31. 929,239 739,468 h.96 h.11

n Yr., Dec. 31. 3,406,159 2,901,784 h.53 h.08

McIntyre Porcupine Mines, Ltd.: Dec. 31 qr. 873,145 1,002,372 1.00 1.25

9 mo., Dec. 31. 2,684,420 2,501,680 3.36 3.51

Mullins Mfg. Corp.: Yr., Dec. 31. 143,185 \*614,825 ...

Ontario Mfg. Co.: Yr., Dec. 31. \*25,916 \*51,390 ...

Ottawa Car & Aircraft, Ltd.: Yr., Dec. 31. 78,881 64,196 1.34 1.09

Pennsylvania Coal & Coke: Dec. 31 qr. 167,066 m19,354 ...

n Yr., Dec. 31. m93,328 m277,569 ...

Philadelphia Co.: 12 mo., Nov. 30 6,130,825 4,154,079 ...

Pleasant Valley Wine Co.: Yr., Oct. 31. 55,691 17,799 .22 .07

Procter & Gamble Co.: Dec. 31 qr. 7,634,697 5,784,750 1.17 .87

12 mo., Dec. 31. 14,586,538 11,882,260 2.23 1.79

Remington Rand, Inc.: 31 qr. 752,255 921,188 .34 .45

9 mo., Dec. 31. 1,104,418 1,427,463 .30 .50

Rome Cable Corp.: Dec. 31 qr. 102,216 81,505 ...

9 mo., Dec. 31. 217,300 142,682 ...

St. Louis National Stockyards Co.: Yr., Dec. 31. 396,633 411,849 5.42 5.63

Seaboard Comm'l. Corp.: Yr., Dec. 31. 260,370 212,392 ...

Standard Products Co.: Dec. 31 qr. 129,787 156,768 .43 .52

6 mo., Dec. 31. 190,473 141,765 .63 .47

Sun Oil Co.: Yr., Dec. 31. 6,959,677 3,085,119 2.74 1.07

Sunshine Mining Co.: n Yr., Dec. 31. 3,176,333 3,653,936 2.13 2.45

United Merchants & Mfrs.: 6 mo., Dec. 31. 1,029,195 ... 1.71 ...

Union Stockyards of Omaha, Ltd.: Yr., Dec. 31. 390,567 312,150 3.47 2.77

Universal Pictures Co., Inc.: Yr., Oct. 28. 1,153,321 \*561,178 ...

West Virginia Coal & Coke Corp.: Dec. 31 qr. 90,320 \*107,778 ...

n Yr., Dec. 31. \*156,698 \*529,734 ...

Whitaker Paper Co.: Yr., Dec. 31. 203,142 153,726 4.86 3.22

#### RAILROADS

Bangor & Aroostook R. R.: n Yr., Dec. 31. 215,621 238,969 \$1.17 3.33

Fonda, Johnstown & Gloversville R. R.: 12 mo., Dec. 31. \*85,065 \*165,725 ...

Great Northern Rwy.: n Yr., Dec. 31. 8,686,425 2,712,560 3.47 1.08

Hudson & Manhattan R. R.: n Yr., Dec. 31. \*993,393 \*1,286,132 ...

Louisiana & Arkansas Rwy.: 11 mo., Nov. 30 652,099 398,851 ...

Minneapolis & St. Louis R. R.: n Yr., Dec. 31. \*1,914,156 \*2,243,576 ...

Norfolk & Western Rwy.: 11 mo., Nov. 30 \*345,436 \*439,584 ...

Northern Pacific Rwy.: n Yr., Dec. 31. 73,653 \*4,322,416 .08 ...

Norfolk Southern R. R.: 11 mo., Nov. 30 \*345,436 \*439,584 ...

Northern States Power Co. of Del.: 12 mo., Nov. 30 5,958,466 4,956,011 ...

Pere Marquette Rwy.: n Yr., Dec. 31. 327,006 \*2,260,963 r.2.92

Texas & Pacific Rwy.: n Yr., Dec. 31. 960,600 1,421,826 p.05 .82

Wheeling & Lake Erie Rwy.: n Yr., Dec. 31. 3,578,283 1,693,928 7.56 1.96

#### UTILITIES

Brooklyn-Manhattan Transit System: 6 mo., Dec. 31. \*581,127 \*144,463 ... p.58

Brooklyn & Queens Transit System: 6 mo., Dec. 31. 74,502 \*112,085 p.26

Mountain States Power Co.: 12 mo., Nov. 30 581,747 497,234 ...

Oklahoma Natural Gas Co.: 12 mo., Dec. 31. 1,631,059 1,338,623 2.15 1.70

Sierra Pacific Power Co.: Yr., Dec. 31. 779,724 686,084 ...

Tampa Electric Co.: Yr., Dec. 31. 1,508,391 1,501,641 ...

\*Net loss. tProfit before Federal income taxes. lIndicated earnings as compiled from company's quarterly reports. bOn Class B shares. cOn combined Class A and Class B shares. dOn shares outstanding at close of respective periods. mLoss before Federal income taxes. nPreliminary report. pOn preferred stocks. rOn first preferred stock. sOn second preferred stock. vEstimated. xEqual to \$4.92 a share on 7% preferred and 70 cents a share on 5% preferred stock.

#### CHAIN STORE SALES

American Stores Company

1939. 1938. P.C. Gain.

Four weeks, Dec. 30 \$10,163,790 \$9,199,281 10.4

Twelve months... 114,824,000 109,852,806 4.5

**NOTE: THE ANNALIST uses for these pages the following standing footnote: "Subject to revision. All other footnotes appear immediately below each table. Latest revised data given for previous week, month and year."**

### THE ANNALIST INDEX OF BUSINESS ACTIVITY

	1939												1938											
	Dec.	Nov.	Oct.	Sept.	Aug.	July	June	Dec.	Nov.	Oct.	Sept.	Aug.	July	June	Dec.	Nov.	Oct.	Sept.	Aug.	July	June	Dec.		
Freight car loadings...	93.2	92.9	92.7	90.3	82.7	81.5	80.9	84.2	84.2	82.5	82.5	82.5	75.0	75.3	81.0	80.9	82.5	82.5	82.5	79.0	80.1	83.1	75.0	
Miscellaneous.....	91.7	87.9	85.5	85.5	85.5	85.5	85.5	94.4	94.6	92.2	90.7	90.8	90.8	90.8	90.8	90.8	90.8	90.8	90.8	90.8	90.8	90.8	90.8	
Other.....	96.3	102.8	105.5	105.5	105.5	105.5	105.5	104.3	101.1	101.2	101.1	99.3	98.9	98.9	98.9	98.9	98.9	98.9	98.9	98.9	98.9	98.9	98.9	
Elec. power prod.....	106.6	106.0	106.7	106.7	106.7	104.3	101.1	101.2	101.1	101.1	101.1	101.1	101.1	101.1	101.1	101.1	101.1	101.1	101.1	101.1	101.1	101.1	101.1	
Manufacturing.....	125.0	123.0	120.9	120.9	120.9	105.6	98.3	92.5	90.9	101.7	102.7	102.7	102.7	102.7	102.7	102.7	102.7	102.7	102.7	102.7	102.7	102.7	102.7	
Steel ingot prod.....	141.4	134.4	129.5	109.3	107.7	105.6	105.6	101.7	85.9	81.1	73.8	84.8	95.0	95.0	95.0	95.0	95.0	95.0	95.0	95.0	95.0	95.0	95.0	
Pig iron production.....	131.4	134.4	129.5	129.5	129.5	109.3	107.7	85.9	81.1	77.2	91.9	85.4	85.4	85.4	85.4	85.4	85.4	85.4	85.4	85.4	85.4	85.4	85.4	
Textiles.....	135.5	135.5	131.1	119.4	120.9	112.5	118.4	121.5	115.6	149.5	145.4	127.2	112.2	131.1	146.3	132.1	149.5	145.4	127.2	112.2	131.1	146.3	132.1	
Cotton consumption.....	152.3	144.8	138.1	127.2	127.2	119.6	119.6	112.2	131.1	146.3	146.3	146.3	146.3	146.3	146.3	146.3	146.3	146.3	146.3	146.3	146.3	146.3	146.3	
Wool consumption.....	145.4	145.4	125.0	119.6	112.2	131.1	146.3	146.3	146.3	146.3	146.3	146.3	146.3	146.3	146.3	146.3	146.3	146.3	146.3	146.3	146.3	146.3	146.3	
Silk consumption.....	45.2	61.2	77.0	67.3	63.2	57.5	59.2	71.9	78.9	78.9	78.9	78.9	78.9	78.9	78.9	78.9	78.9	78.9	78.9	78.9	78.9	78.9	78.9	
Rayon consumption.....	129.4	139.7	120.9	118.3	103.1	124.1	129.6	104.7	89.2	101.7	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	
Boot and shoe prod.....	142.4	146.0	136.6	129.4	129.4	129.4	129.4	129.4	129.4	129.4	129.4	129.4	129.4	129.4	129.4	129.4	129.4	129.4	129.4	129.4	129.4	129.4	129.4	
Automobile prod.....	131.6	94.0	83.9	83.2	60.4	61.4	77.4	104.8	114.5	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	
Lumber production.....	92.4	91.4	79.6	78.8	77.9	77.1	75.7	76.0	68.3	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	
Cement production.....	82.0	71.8	73.7	67.2	65.6	68.5	62.4	72.1	71.6	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	
Minerals.....	92.7	92.7	84.0	80.5	78.8	76.5	77.3	75.2	75.3	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	
Zinc production.....	96.0	93.2	86.9	77.9	75.7	74.7	73.8	79.7	73.4	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	
Lead.....	83.4	91.6	78.1	85.6	84.9	81.0	84.2	66.3	79.0	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	
Combined index.....	112.4	108.3	106.7	100.0	94.4	92.2	91.5	90.6	95.2	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	

For seasonal indices for 1939 see THE ANNALIST of July 6, 1939, page 17, Table 20.

### RATE OF OPERATIONS IN THE STEEL INDUSTRY

	As Estimated by											
Week Ended	U. S.	Dow-Jones	Week Begun	Amer. Inst.	Iron & Steel Inst.	Week Ended	N. Y.	Iron Met.	Am. Mkt.	Year to Nov.	1939	
Jan. 1, 1939	35	42	39	Dec. 26	38.8	Dec. 31	40	40	40	1938	1938	
Jan. 2, 1939	49	52	50	Jan. 1	51	Jan. 7	51	52	52	1938	1938	
Jan. 3, 1939	48	54	52	Jan. 2	50	Jan. 8	51	52	52	1938	1938	
Jan. 4, 1939	50	54	52	Jan. 3	52	Jan. 9	51	52	52	1938	1938	
Jan. 5, 1939	49	53	52	Jan. 4	52	Jan. 10	52	52	52	1938	1938	
Jan. 6, 1939	51	54	52	Jan. 5	52	Jan. 11	52	52	52	1938	1938	
Jan. 7, 1939	50	53	52	Jan. 6	52	Jan. 12	52	52	52	1938	1938	
Jan. 8, 1939	51	54	52	Jan. 7	52	Jan. 13	52	52	52	1938	1938	
Jan. 9, 1939	50	53	52	Jan. 8	52	Jan. 14	52	52	52	1938	1938	
Jan. 10, 1939	51	54	52	Jan. 9	52	Jan. 15	52	52	52	1938	1938	
Jan. 11, 1939	50	53	52	Jan. 10	52	Jan. 16	52	52	52	1938	1938	
Jan. 12, 1939	51	54	52	Jan. 11	52	Jan. 17	52	52	52	1938	1938	
Jan. 13, 1939	50	53	52	Jan. 12	52	Jan. 18	52	52	52	1938	1938	
Jan. 14, 1939	51	54	52	Jan. 13	52	Jan. 19	52	52	52	1938	1938	
Jan. 15, 1939	50	53	52	Jan. 14	52	Jan. 20	52	52	52	1938	1938	
Jan. 16, 1939	51	54	52	Jan. 15	52	Jan. 21	52	52	52	1938	1938	
Jan. 17, 1939	50	53	52	Jan. 16	52	Jan. 22	52	52	52	1938	1938	
Jan. 18, 1939	51	54	52	Jan. 17	52	Jan. 23	52	52	52	1938	1938	
Jan. 19, 1939	50	53	52	Jan. 18	52	Jan. 24	52	52	52	1938	1938	
Jan. 20, 1939	51	54	52	Jan. 19	52	Jan. 25	52	52	52	1938	1938	
Jan. 21, 1939	50	53	52	Jan. 20	52	Jan. 26	52	52	52	1938	1938	
Jan. 22, 1939	51	54	52	Jan. 21	52	Jan. 27	52	52	52	1938	1938	
Jan. 23, 1939	50	53	52	Jan. 22	52	Jan. 28	52	52	52	1938	1938	
Jan. 24, 1939	51	54	52	Jan. 23	52	Jan. 29	52	52	52	1938	1938	
Jan. 25, 1939	50	53	52	Jan. 24	52	Jan. 30	52	52	52	1938	1938	
Jan. 26, 1939	51	54	52	Jan. 25	52	Jan. 31	52	52	52	1938	1938	
Jan. 27, 1939	50	53	52	Jan. 26	52	Jan. 1	52	52	52	1938	1938	
Jan. 28, 1939	51	54	52	Jan. 27	52	Jan. 2	52	52	52	1938	1938	
Jan. 29, 1939	50	53	52	Jan. 28	52	Jan. 3	52	52	52	1938	1938	
Jan. 30, 1939	51	54	52	Jan. 29	52	Jan. 4	52	52	52	1938	1938	
Jan. 31, 1939	50	53	52	Jan. 30	52	Jan. 5	52	52	52	1938	1938	
Jan. 32, 1939	51	54	52	Jan. 31	52	Jan. 6	52	52	52	1938	1938	
Jan. 33, 1939	50	53	52	Jan. 32	52	Jan. 7	52	52				



# Stock and Bond Market Averages and Volume of Trading

## The Annalist Weighted Averages of Group Leaders

	Jan. 25	High.	Low.	Last.	Jan. 26	High.	Low.	Last.	Jan. 27	High.	Low.	Last.	Jan. 28	High.	Low.	Last.	Jan. 29	High.	Low.	Last.	Jan. 30	High.	Low.	Last.	Jan. 31	High.	Low.	Last.							
90 Stocks	48.2	47.7	47.8	48.1	47.6	47.8	47.8	47.8	48.2	47.0	48.0	47.5	47.6	47.7	47.2	47.4	47.6	47.0	47.2	47.4	47.6	47.0	47.2	47.4	47.6	47.0	47.2	47.4							
72 Industrials	161.0	159.1	159.3	160.5	159.1	159.6	159.6	159.3	161.0	158.6	158.9	158.9	159.1	157.2	157.9	158.6	157.0	157.0	157.9	158.6	157.0	157.9	158.6	157.0	157.9	158.6	157.0	157.9	158.6	157.0	157.9				
4 Steels	34.0	33.5	33.7	33.9	33.5	33.5	33.5	33.5	34.0	32.5	33.9	33.5	33.6	33.2	33.4	33.6	33.2	33.4	33.7	33.7	33.6	33.6	33.2	33.4	33.7	33.6	33.2	33.4	33.7	33.6	33.2	33.4			
4 Motors	76.0	74.8	74.8	75.7	74.8	75.1	75.1	75.1	76.0	73.6	75.4	75.1	75.0	74.8	74.8	75.4	75.1	75.0	74.8	74.8	75.4	75.1	75.0	74.8	74.8	75.4	75.1	75.0	74.8	74.8	75.4				
5 Motor accessories	39.4	38.6	38.6	39.0	38.6	39.0	39.0	39.0	39.4	37.7	39.1	38.9	39.0	39.4	39.1	38.9	39.0	39.4	38.9	39.0	39.1	38.9	39.0	39.1	38.9	39.0	39.1	38.9	39.0	39.1	38.9	39.0			
3 Aircrafts	47.4	46.5	46.5	47.9	46.7	47.4	47.9	47.2	47.4	47.9	44.7	47.9	47.0	47.2	47.4	47.2	46.5	47.2	46.5	47.0	46.3	46.5	47.2	46.5	47.0	46.3	46.5	47.2	46.5	47.0	46.3	46.5			
3 Building	39.4	39.0	39.0	38.8	39.0	38.8	38.8	38.8	39.4	38.2	38.8	38.8	39.4	38.2	38.8	38.8	38.6	38.2	38.6	38.4	38.2	38.6	38.4	38.2	38.6	38.4	38.2	38.6	38.4	38.2	38.6	38.4	38.2		
4 Chemicals	139.7	138.5	138.5	139.4	138.5	138.8	138.8	138.8	139.4	137.5	139.1	138.5	138.8	139.1	137.5	139.1	138.5	138.8	139.1	137.5	137.5	137.5	137.5	137.5	137.5	137.5	137.5	137.5	137.5	137.5	137.5	137.5	137.5	137.5	
4 Nonferrous metals	47.7	46.6	46.6	47.1	46.6	46.6	46.6	46.6	47.7	45.6	46.4	46.6	46.6	47.7	45.6	46.4	46.6	46.4	46.6	46.4	46.6	46.4	46.6	46.4	46.6	46.4	46.6	46.4	46.6	46.4	46.6	46.4	46.6		
4 Foods	75.7	75.2	75.2	75.5	75.2	75.4	75.4	75.2	75.7	75.7	75.7	75.7	75.7	75.2	75.7	75.7	75.7	75.2	75.7	75.7	75.7	75.7	75.7	75.7	75.7	75.7	75.7	75.7	75.7	75.7	75.7	75.7	75.7		
2 Tobacco	75.7	75.4	75.4	75.4	75.2	75.4	75.4	75.2	75.7	75.7	75.7	75.7	75.7	75.2	75.7	75.7	75.7	75.2	75.7	75.7	75.7	75.7	75.7	75.7	75.7	75.7	75.7	75.7	75.7	75.7	75.7	75.7			
3 Sugars	23.8	23.8	23.8	23.9	23.8	23.9	23.9	23.9	23.9	23.9	23.9	23.9	23.9	23.9	23.9	23.9	23.9	23.9	23.9	23.9	23.9	23.9	23.9	23.9	23.9	23.9	23.9	23.9	23.9	23.9	23.9	23.9	23.9		
2 Electrical equipments	60.0	58.7	58.7	59.3	58.7	59.0	59.0	59.0	59.7	57.7	59.0	59.0	59.7	57.7	59.0	59.0	59.7	57.7	59.0	58.1	58.1	58.1	58.1	58.1	58.1	58.1	58.1	58.1	58.1	58.1	58.1	58.1	58.1	58.1	58.1
3 Farm equipments	48.9	48.9	48.9	49.3	48.6	48.7	48.7	48.7	49.3	47.9	48.7	48.7	48.7	49.3	47.9	48.7	48.7	48.7	49.3	47.9	48.7	48.7	48.7	48.7	48.7	48.7	48.7	48.7	48.7	48.7	48.7	48.7			
4 Office equipments	19.1	19.0	19.1	19.0	18.9	19.0	18.9	19.0	19.0	18.6	18.9	19.0	19.0	19.0	18.6	18.9	19.0	19.0	18.9	18.9	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0			
4 Railroad equipments	24.5	24.1	24.2	23.9	23.8	23.8	23.8	23.8	23.6	23.6	23.6	23.6	23.6	23.4	23.6	23.6	23.6	23.4	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6		
4 Amusement	16.8	15.5	15.5	15.7	15.5	15.6	15.6	15.5	15.8	15.3	15.8	15.5	15.8	15.8	15.3	15.8	15.5	15.8	15.3	15.5	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4			
5 Merchandise	51.1	50.8	50.9	51.0	50.5	50.8	50.8	50.5	50.4	50.5	50.5	50.5	50.5	50.4	50.5	50.5	50.5	50.5	50.5	50.5	50.5	50.5	50.5	50.5	50.5	50.5	50.5	50.5	50.5	50.5	50.5	50.5	50.5		
3 Rubber and tires	38.9	38.1	38.1	38.4	37.8	37.8	37.8	37.5	37.5	37.5	37.5	37.5	37.5	37.5	37.5	37.5	37.5	37.5	37.5	37.5	37.5	37.5	37.5	37.5	37.5	37.5	37.5	37.5	37.5	37.5	37.5	37.5	37.5		
4 Standard Oils	24.0	23.7	23.7	23.7	23.5	23.5	23.5	23.5	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6		
4 Independent oils	49.0	48.5	48.5	48.7	48.5	48.7	48.5	48.7	48.5	48.5	48.5	48.5	48.5	48.5	48.5	48.5	48.5	48.5	48.5	48.5	48.5	48.5	48.5	48.5	48.5	48.5	48.5	48.5	48.5	48.5	48.5	48.5	48.5		
8 Oils	73.0	72.2	72.2	72.4	72.0	72.3	72.1	72.1	72.1	71.3	72.3	71.5	71.7	72.0	71.2	72.1	71.5	71.7	72.0	71.2	72.1	71.5	71.7	72.0	71.2	72.1	71.5	71.7	72.0	71.2	72.1	71.5			
10 Rains	26.9	26.3	26.4	26.8	26.1	26.8	26.1	26.8	26.2	26.1	26.8	26.1	26.8	26.2	26.1	26.8	26.1	26.8	26.2	26.1	26.8	26.1	26.8	26.2	26.1	26.8	26.1	26.8	26.2	26.1	26.8	26.2	26.1		
8 Utilities	21.7	21.5	21.6	21.7	21.4	21.5	21.4	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5		

## The New York Times Stock Market Averages

### MONTHLY HIGH, LOW AND LAST

Week Ended	25 Rails	25 Industrial stocks	50 Stocks
1939.	High.	Low.	Last.
January	26.35	22.62	192.03
February	24.90	22.27	24.64
March	25.68	19.88	20.02
April	21.40	18.03	19.68
May	21.97	19.49	21.97
June	22.07	19.51	21.97
July	22.87	19.81	21.98
August	22.66	19.67	21.97
September	27.86	22.73	20.92
October	26.88	25.11	22.96
November	25.97	23.65	21.95
December	24.35	23.02	22.86
January	24.73	22.33	22.68

Week Ended	25 Rails	25 Industrial stocks	50 Stocks
1940.	High.	Low.	Last.
January	25.62	24.47	19.74
February	24.75	23.75	19.74
March	25.50	19.29	19.63
April	25.90	24.69	19.75
May	25.90	24.64	19.74
June	25.90	24.64	19.74
July	25.90	24.64	19.74
August	25.86	22.85	19.74
September	25.86	22.85	19.74
October	25.86	22.85	19



# Stock Transactions—New York Stock Exchange

**New York:** Light face—Calendar years 1838 and 1837  
of New York; bold face type prior to Jan. 31, 1838 or 1837. See also  
of New York; Light face—Calendar years 1838 and 1837  
in bold face type.  
1838.

- Partly extra.
- Plus or payable in stock.
- Figures under high and low column represent asked and bid prices of Jan. 27.

—Partly extra.  
—Plus or payable in stock.

—Figures under high and low  
represent asked and bid  
Jan. 27.

**dated Oil commn.**  
**in bold face type.**  
**1986**  
**and 1988**  
**results are before**  
**dated Oil commn.**  
**in bold face type.**  
**1986**  
**and 1988**  
**results are before**  
**dated Oil commn.**  
**in bold face type.**  
**1986**  
**and 1988**  
**results are before**

f—Not comp.  
g—Initial dividend.  
h—Dividend of 1-5 sh

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Saturday, Jan. 27

Stock Transactions—New York Stock Exchange—Continued

For Calendar Week Ended=

Saturday, Jan. 27

New York Stock Exchange—Continued

For Calendar Week Ended—

Stock Transactions—New York Stock Exchange—Continued

For Calendari Week Ended=

Saturday, Jan. 27

Stock Transactions—New York Stock Exchange—Continued

For Calendar Week Ended—

Earnings per share as reported by Standard Statistics Company of New York: Light face—Calendar years 1938 and 1937 or earlier. Full face—all current earnings, but not including fiscal year ended prior to Jan. 1, 1938 or 1937. See also footnote "e." NOTE: Highs and lows established in 1940 shown in bold face type.
Blank means figures not available.
Full face—1 to 13 Number of months covered by latest interim report.
a—On all classes of preferred.
b—On all classes of common.
c—Before depletion.
d—Not computed, as results are before depreciation and depletion.
e—Years ended 1937 and 1936.
f—Initial dividend.
g—Initial dividend.
h—Before all deductions.
i—Per share earnings not computed, as results are before all deductions.
j—Per share earnings not computed, as results are before all deductions.
k—Initial dividend.
l—Before depletion.
m—On all classes of preferred.
n—Party cut p—1936 amount Oct. 31, a fiscal year.
o—On all classes of common.
p—Amount before depletion.
q—On all classes of common.
r—Amount before depletion.
s—On all classes of common.
t—Before depletion.
u—On all classes of common.
v—On all classes of common.
w—On all classes of common.
x—On all classes of common.
y—On all classes of common.
z—On all classes of common.

—Partly cumulative. —Special.  
—1936 results cover 10 months ended Oct. 31, as company is changing fiscal year.  
—Amount varies. u—In script.  
—Before operations of Spanish sub-

Earnings per share as reported by Standard Statistics Company of New York: Light face—Calendar years 1938 and 1937 or earlier; Full face—Full current earnings but not including fiscal years ended after 1940 shown in bold face type.	
Blank means figure not available.	
Full face—1 to 13—Number of months covered by latest interim report.	
a—On all classes of preferred stock.	
b—On common stock.	
c—Before depletion.	
d—Per share earnings not computed.	
e—Highs and lows established in 1937 and 1938.	
f—Not computed, as results are before depletion and depletion.	
g—Initial dividend.	
h—Dated Oil common.	
i—Before depletion.	
j—Per share earnings not computed.	
k—As results are before all deductions.	





## Bond Transactions—New York Stock Exchange—Continued

1939-40 Range.										1939-40 Range.										1939-40 Range.									
High.	Low.	Sales in 1000s.	High.	Low.	Last.	Net Chge.	High.	Low.	Last.	Net Chge.	High.	Low.	Last.	Net Chge.	High.	Low.	Sales in 1000s.	High.	Low.	Last.	Net Chge.								
51%	25%	M-K-Tex 1st 4s 90.	..	43	28%	27	-1	107%	102	Phill Balt & W 4½s 81 D	..	15	107	107	+ 1	92	79%	Warner Bros 6s 48.	95	85	85	-							
32%	11%	M-K-Tex 4s 62 B.	..	40	12%	12%	+ 1	108%	97%	Phila Co 5s 67	..	11	105%	104%	+ 1	* 23	32%	32%	32%	- 1%									
4%	1%	Mo Pac cv 5½s 49.	**	55	1%	1%	-	112%	103%	Phil Elec 3½s 67	..	11	105%	105%	+ 1	1	108	108	108	-									
21%	12%	Mo Pac 6s 65 A.	**	68	15%	16%	+ 1	7	28	Ph Read Cal 5s 49	..	10	97%	97%	-	111%	111%	111%	111%	+ 1%									
21%	12%	Mo Pac 5s 77 F.	**	125%	18%	17%	+ 1	19	98	Ph Read Cal 5s 73	..	** 38	105%	105%	+ 1	59	43%	West Sh 4s 231.	18	4%	47%	+ 2%							
20%	12%	Mo Pac 5s 77 F. ct.	..	24	18	16	+ 1	14	6	Philippine Ry 4s 37	..	** 15	6%	6%	-	52%	40%	West Sh 4s 231, reg.	14	-	-	-							
21%	12%	Mo Pac 5s 77 F. ct.	..	24	18	16	+ 1	117	105%	Phillips Pet 3s 48	..	35	111%	110%	+ 1	130	11%	Weisch Lt 5s 50.	7	127%	127%	127%							
19%	12%	Mo Pac 5s 78 F. ct.	..	93	15%	16%	+ 1	108%	102	Phill Balt & W 4½s 81 D	..	15	107	107	+ 1	47	31%	Warr Bros 6s 41.	23	23	32%	32%							
21%	12%	Mo Pac 5s 80 H.	..	30	17%	17%	+ 1	108%	101	Phila Co 5s 67	..	11	105%	105%	+ 1	101	100%	Wash Ter 3½s 45.	1	108	108	108							
20%	12%	Mo Pac 5s H 80 ct.	..	1	16%	16%	+ 1	107%	104%	Phila Co 5s 73	..	10	105%	105%	+ 1	112%	104%	West Fer F 4s 66.	1	-	-	-							
21%	12%	Mo Pac 5s 81 I.	**	140	18%	16%	+ 1	100	92%	Phila Co 5s 77	..	14	99%	98%	-	59	43%	West Sh 4s 231.	18	4%	47%	+ 2%							
20%	12%	Mo Pac 5s 81 I. ct.	..	47	17%	16%	+ 1	105%	104%	Phila Co 5s 82	..	3	105%	105%	-	24	13%	West Pac 1st 5s 46.	10	18%	18%	+ 1							
6%	3	Mo Pac gen 4s 75.	**	385	3%	3	-	109%	106%	Phila Co 5s 82	..	** 15	107%	107%	-	24	13%	West Pac 1st 5s 46.	10	18%	18%	+ 1							
71	1%	Mo Pac 3d ex 35.	..	5	71	71	-	117%	110	Pitts & W Va 4½s 58 A	..	2	116	116	-	76	57%	Western Un 5s 51.	18	18%	18%	-							
37%	10%	Mo Pub 3d 35.	..	2	22%	22%	+ 1	59	23	Pitts & W Va 4½s 58 A	..	4	43	43	-	75%	55%	Western Un 4½s 50.	38	67%	66%	+ 1							
32%	17%	MoPub & O Mon 5s 47.	..	64	27	26	-	59%	23	Pitts & W Va 4½s 60 C	..	16	43	40%	-	55	6%	Western Un 4½s 50.	5	114%	114%	+ 1%							
59	42%	Mohawk & Mal 4s 91.	..	52	53%	53%	-	107%	101	Porter Gen 3s 55	..	43	105%	105%	-	92	79%	Wheal B & E 4½s 66 A.	35	97%	97%	-							
107	101%	Monongah Ry 4s 60.	5	107	107	107	+ 1	60	58	Rorke Gen 3s 55	..	43	105%	105%	-	95	92%	Wheal B & E 4½s 66 A.	35	97%	97%	-							
110%	103%	Mon W Pr Pub Sv 4½s 60.	33	110%	110	104%	+ 1	64	24	Rorke Gen 3s 55	..	** 15	67%	67%	-	110%	104%	Wheal B & E 4½s 66 A.	18	105%	105%	+ 1							
111%	99%	Mon W Pr Pub Sv 6s 65.	24	111%	111	111%	+ 1	64%	23	Rorke Gen 3s 55	..	** 15	61%	60%	-	99	85%	Wilson Co cv 3½s 47.	23	18%	18%	+ 1							
100%	91%	Mon Pow 3¾s 66.	73	107%	107	107%	+ 1	19%	104%	Postal Tel & C 5s 53	..	** 160	19%	17%	+ 1	110%	104%	Wise El Pow 3½s 68.	7	108%	108%	+ 1							
54%	39%	Mon Pow 3¾s 66.	73	100%	100%	100%	-	112	102%	Pub Sv E&G 3½s 68	..	13	109%	109%	-	110%	104%	Wise El Pow 4s 61.	4	110%	109%	+ 1							
49	29%	Mon & Esso 3½s 55.	32	45%	35%	35%	-	112	104%	Pub Sv No III 3½s 68	..	23	109%	109%	-	95	85%	Wise El Pow 4s 61.	1	94%	94%	-							
56%	36%	Mon & Esso 3½s 66.	45	42%	42%	42%	-	104%	95%	Parity Bus 5s 48	..	6	104	103	-	107%	103%	YOUNG S&T 4s 61.	67	105%	105%	+ 1							
110%	99%	Mount St T & T 3½s 68.	18	108%	108%	108%	-	104%	101%	Mount Un Tel 5s 41.	..	1	101%	101%	-	115%	100%	YOUNG S&T 4s 61.	69	106%	105%	+ 1							
101%	97%	Mount Un Tel 5s 41.	101%	101%	101%	-	104%	101%	Mount Un Tel 5s 41.	..	1	101%	101%	-	107%	103%	YOUNG S&T 4s 61.	67	105%	104%	+ 1								
72%	64%	NASH CHA & SL 4s 78.	7	70%	69%	70	+ 1	80	66%	RADIO KEITH 6s 41	..	23	55	54	+ 1	67	34%	ABITIBI P & P 5s 53.	** 18	15	55%	54%							
52%	29%	Nassau El 4s 51 ct.	93	52	48	48	-	80	68	Radio 4½s 97 B	..	73	72%	72%	-	28	24%	Alg M Bk 6s 48.	26%	26%	26%	-							
49%	38%	Nassau El 4s 51 ct.	44	49%	47	47	-	63%	50	Rorke Gen 3s 55	..	21	57%	57%	-	17%	9%	Antioquia 7s 45 D.	1	14	14	-							
108%	99%	Natl Distill 3¾s 54.	73	107%	107	107%	+ 1	105%	92	Rem Band 4½s 56	..	100	99%	99%	-	17%	10%	Antioquia 7s 45 D.	1	14	14	-							
105%	95%	Natl Distill 3½s 54.	26	104%	104%	104%	-	96	85%	Republic Steel 5½s 54	..	15	108%	108%	-	16%	9%	Antioquia 7s 45 D.	1	14	14	-							
1%	5%	Nt R Rx 4½s 26 and.	** 11	2	2	2	-	96	85%	Republic Steel 4½s 61.	..	22	94%	92	-	17%	10%	Antioquia 7s 45 D.	1	14	14	-							
133%	92%	Natl Steel 3s 65.	48	103%	103	103	-	96	85%	Revere Corp & B 4½s 56.	..	37	94%	92	-	17%	10%	Antioquia 7s 45 D.	1	14	14	-							
71	51%	Nat'l Steel 3s 65.	48	103%	103	103	-	110	109%	Ronson 3½s 55	..	7	100%	99%	-	17%	10%	Antioquia 7s 45 D.	1	14	14	-							
35%	20%	New Eng 4s 45.	** 5	35%	34	35%	+ 1	44	28	Roro 1st 4s 45	..	7	108%	108%	+ 1	16%	9%	Antioquia 7s 45 D.	1	14	14	-							
129%	118%	New Eng T&T 5s 52.	18	126%	126	126	-	20	11	Ro Gr W 4s 45	..	11	11	11	-	16%	9%	Antioquia 7s 45 D.	1	14	14	-							
129%	113%	New Eng T&T 61 B.	21	126%	126	126	-	107%	99%	Roch G & E 3½s 69.	..	16	107%	107%	-	16%	9%	Antioquia 7s 45 D.	1	14	14	-							
110%	105%	Nj Pow & L 4½s 60.	104	108%	108%	108%	-	134%	64%	Ri Ark & L 4½s 34.	..	** 17	72%	72%	-	16%	9%	Antioquia 7s 45 D.	1	14	14	-							
107%	102%	Nj Pow & L 4½s 60.	104	108%	108%	108%	-	11	12	Rutland 1st 4s 41.	..	15	97%	98%	-	16%	9%	Antioquia 7s 45 D.	1	14	14	-							
107%	102%	Nj Pow & L 4½s 60.	104	108%	108%	108%	-	107%	88	SAGUENAY P 4½s 66.	..	12	97%	96%	-	16%	9%	Antioquia 7s 45 D.	1	14	14	-							
107%	102%	Nj Pow & L 4½s 60.	104	108%	108%	108%	-	108%	88	Saguenay P 4½s 66.	..	12	111%	110%	-	16%	9%	Antioquia 7s 45 D.	1	14	14	-							
107%	102%	Nj Pow & L 4½s 60.	104	108%	108%	108%	-	108%	88	Saguenay P 4½s 66.	..	12	111%	110%	-	16%	9%	Antioquia 7s 45 D.	1	14	14	-							
107%	102%	Nj Pow & L 4½s 60.	104	108%	108%	108%	-	108%	88	Saguenay P 4½s 66.	..	12	111%	110%	-	16%	9%	Antioquia 7s 45 D.	1	14	14	-							
107%	102%	Nj Pow & L 4½s 60.	104	108%	108%	108%	-	108%	88	Saguenay P 4½s 66.	..	12	111%	110%	-	16%	9%	Antioquia 7s 45 D.	1	14	14	-							
107%	102%	Nj Pow & L 4½s 60.	104	108%	108%	108%	-	108%	88	Saguenay P 4½s 66.	..	12	111%	110%	-	16%	9%	Antioquia 7s 45 D.	1	14	14	-							
107%	102%	Nj Pow & L 4½s 60.	104	108%	108%	108%	-	108%	88	Saguenay P 4½s 66.	..	12	111%	110%	-	16%	9%	Antioquia 7s 45 D.	1	14	14	-							
107%	102%	Nj Pow & L 4½s 60.	104	108%	108%	108%	-	108%	88	Saguenay P 4½s 66.	..	12	111%	1															

## Bond Transactions—New York Stock Exchange—Continued

1939-40 Range.		Sales	Sales				Sales				1939-40 Range.		Sales				1939-40 Range.				
High.	Low.	in 1000s.	High.	Low.	Last.	Chg.	in 1000s.	High.	Low.	Last.	Chg.	in 1000s.	High.	Low.	Last.	Chg.	in 1000s.	High.	Low.	Last.	Chg.
59	48	ORIENT DEV	64	53	16	+ 1%	58	55	55	55	- 2%	105	105	105	+ 1%	51	25	RHEINELBE	7s 46		
55	43	Orient Dev	51	58	22	+ 5%	53	52	52	52	+ 1%	105	105	105	+ 1%	14	18	Rio de Jan	8s 46		
103	64	Oak City	41	55	28	+ 7%	72	71	72	72	+ 1%	105	105	105	+ 1%	119	9	Rio Gr de Sol	8s 46		
106	99	PANAMA	51	53	12	+ 2%	52	50	52	52	+ 1%	105	105	105	+ 1%	14	14	Rio Gr de Sol	7s 67		
83	42	Panama 5s 53	12	10	10	+ 1%	74	68	68	68	+ 1%	105	105	105	+ 1%	19	15	Rio Gr de Sol	7s 66		
73	5	Panambaro	7s 47	12	14	+ 2%	54	54	74	74	+ 1%	104	104	104	+ 1%	15	6	Rio Gr de Sol	6s 68		
134	74	Pera	7s 59	15	15	+ 1%	104	104	104	104	+ 1%	104	104	104	+ 1%	11	11	Rome	6s 52		
124	64	Pera 1st 6s 60	103	10	97	+ 9%	104	104	104	104	+ 1%	104	104	104	+ 1%	14	14	RIO PAUL C	6s 57		
54	44	Pera 2d 6s 60	107	10	97	+ 9%	97	97	97	97	+ 1%	104	104	104	+ 1%	15	6	Rio Paulo St	8s 50		
44	42	Pokland	8s 50	12	7	+ 7%	7	7	7	7	+ 1%	104	104	104	+ 1%	86	10	Rio Paulo St	7s 56		
42	42	Pokland 5s 48	12	5	5	+ 5%	53	53	53	53	+ 1%	104	104	104	+ 1%	14	14	Rio Paulo St	7s 40		
15	62	Porto Alegre	6s 61	12	2	+ 2%	94	94	94	94	+ 1%	104	104	104	+ 1%	28	10	Rio Serice Cts	7s 62		
198	71	Prussia	6s 52	7	7	+ 1%	124	124	124	124	+ 1%	104	104	104	+ 1%	12	12	Rio Serice Cts	7s 62		
198	56	Prussia	6s 51	1	12	+ 12%	12	12	12	12	+ 1%	104	104	104	+ 1%	64	50	Shinyetze E	6s 52		
106	75	QUEENSLD	7s 41	31	101	+ 100%	100	101	100	101	+ 1%	104	104	104	+ 1%	5	3	TAIWAN	5s 55		
107	55	Queensland	6s 47	22	98	+ 95%	98	98	98	98	+ 1%	104	104	104	+ 1%	87	87	Taiwan	5s 71		
106	59	QUEENSLD	7s 41	31	101	+ 100%	100	101	100	101	+ 1%	104	104	104	+ 1%	17	57	58	58		
107	55	Queensland	6s 47	22	98	+ 95%	98	98	98	98	+ 1%	104	104	104	+ 1%	59	47	TAIWAN	5s 71		

1939-40 Range.		Sales	Sales				Sales				1939-40 Range.		Sales				1939-40 Range.				
High.	Low.	in 1000s.	High.	Low.	Last.	Chg.	in 1000s.	High.	Low.	Last.	Chg.	in 1000s.	High.	Low.	Last.	Chg.	in 1000s.	High.	Low.	Last.	Chg.
60	47	TOKYO CITY	51	61	33	+ 5%	53	53	53	53	+ 1%	53	53	53	+ 1%	87	87	87	87	+ 1%	
60	43	TOKYO CITY	51	61	31	+ 3%	52	52	52	52	+ 1%	52	52	52	+ 1%	82	82	82	82	+ 1%	
60	49	TOKYO	61	63	57	+ 2%	57	57	57	57	+ 1%	57	57	57	+ 1%	72	59	57	57	+ 2%	
91	71	UMIAGAWA	E P	7s 45	1	+ 1%	86	86	86	86	+ 1%	86	86	86	+ 1%	87	87	87	87	+ 1%	
504	20	U.S. STEL Wk	6s 47	47	A	+ 1%	23	23	23	23	+ 1%	23	23	23	+ 1%	52	50	47	47	+ 2%	
504	37	URUG	4s 48	48	70	+ 1%	48	48	48	48	+ 1%	48	48	48	+ 1%	52	52	48	48	+ 2%	
48	35	URUG	3s 78	78	Dec	+ 1%	48	48	48	48	+ 1%	48	48	48	+ 1%	37	37	50	48	+ 1%	
50	37	URUG	4s 48	48	78	+ 1%	48	48	48	48	+ 1%	48	48	48	+ 1%	37	37	50	48	+ 1%	
51	37	VERET	P R	M	7s 52	+ 1%	43	43	43	43	+ 1%	43	43	43	+ 1%	3	43	43	43	+ 1%	
18	54	VIENNA CITY	6s 52	52	1	+ 1%	54	54	54	54	+ 1%	54	54	54	+ 1%	84	84	84	84	+ 1%	
60	49	YOKOHAMA	6s 61	61	35	+ 5%	57	57	57	57	+ 1%	57	57	57	+ 1%	10	10	10	10	+ 1%	

xin Ex interest, or Certificates; <sup>i</sup>Selling flat for reasons other than default; <sup>d</sup>Selling flat on account of default; <sup>m</sup>Negotiability impaired pending investigation; <sup>b</sup>Bankrupt or reorganization; <sup>r</sup>Receivership, or being reorganized under the Bankruptcy Act; or securities assumed by such companies. <sup>f</sup>Delisting pending.

## Transactions on the New York Curb Exchange

For Week Ended Saturday, Jan. 27

Stocks and bonds marked with a dagger are fully listed on the Curb Exchange; others are dealt in as unlisted issues.

Range 1939-40 Stock and Dividend High. Low. in Dollars.

Net Sales. High. Low. Last. Chg. Sales.

24% 14% ACME W. (97.4g.) 20 20 2 100

5% 2% Aero Spp B. (20g.) 4% 4% 4% 4% 700

5% 5% Alinair Corp. (34g.) 64 54 64 64 + 1% 1,200

11% 6% Air Assoc. (52) 104 104 104 104 1,300

2% 1% Air Investors 104 104 104 104 100

20% 13% Air Inv cv pf. 104 104 104 104 100

89 61% Alia G Sov (8g.) 75 75 75 - 25

106 101% Alia Pow 57 (p. 7) 106 104 106 106 + 1%

96% 62% Alia Pow 57 (p. 8) 95 94 94 94 + 1%

12 72% Allied Prod (1a) 10 10 10 10 50

21 17% Allied Prod A (1%) 10 10 10 10 50

155% 90% Alim Co Am (6g.) 151 147 148 148 - 2,800

11% 110% Alim Co Am pf (6) 115 115 115 115 850

141% 110% Alim Co Am pf (14g.) 115 115 115 115 850

111% 94% Alim Co Am pf (14g.) 115 115 115 115 850

31 1% Al Beverage 1 1 1 1 100

28 2% Alit Box Board 1 1 1 1 100

9% 5% Am Box Board 1 1 1 1 100

23 15% Am Cap pf (11g.d.) 19 19 19 19 200

75 64% Am Cap pr pf (5%) 74 74 74 74 200

74% 7% Am Cap pf (5%) 74 74 74 74 200

35% 27% Am Cap pf (5%) 74 74 74 74 200

34% 24% ACP&L Ww. (2g.) 31 31 31 + 1% 100

15% 14% Am Cit PALR. 11 11 11 11 100

34 22% Am Cyaa B. (60a) 33 33 33 + 1% 100

38% 18% Am Cyaa B. (60a) 34 34 34 + 1% 6,400

16% 15% Am Exp L. (65g.) 15 15 15 15 2,600

15% 8% Am Forklift (70g.) 12 12 12 12 500

40% 28% Am Gen 16 (1.60a) 34 34 34 + 1% 3,000

29 24% Am Gen 2 pf (2) 25 25 25 + 1% 75

18 15% Am Gen 2 pf (2) 16 16 16 + 1% 400

13 15% Am Gen 2 pf (2) 16 16 16 + 1% 100

11 15% Am Gen 2 pf (2) 16 16 16 + 1% 100

11 15% Am Gen 2 pf (2) 16 16 16 + 1% 100

11 15% Am Gen 2 pf (2) 16 16 16 + 1% 100

11 15% Am Gen 2 pf (2) 16 16 16 + 1% 100

11 15% Am Gen 2 pf (2) 16 16 16 + 1% 100

11 15% Am Gen 2 pf (2) 16 16 16 + 1% 100

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11 15% Am Gen 2 pf (2) 16 16 16 + 1% 100

11 15% Am Gen 2 pf (2) 16 16 16 + 1% 100

11 15% Am Gen 2 pf (2) 16 16 16 + 1% 100

11 15% Am Gen 2 pf (2) 16 16 16 + 1% 100

11 15% Am Gen 2 pf (2) 16 16 16 + 1% 100

11 15% Am Gen 2 pf (2) 16 16 16 + 1% 100

## Transactions on the New York Curb Exchange—Continued

Range 1939-40 Stock and Dividend High. Low.										Range 1939-40 Stock and Dividend High. Low.										Range 1939-40 Stock and Dividend High. Low.									
in Dollars.					Net in Dollars.					in Dollars.					Net in Dollars.					in Dollars.									
High.	Low.	Last.	Chg.	Sales.	High.	Low.	Last.	Chg.	Sales.	High.	Low.	Last.	Chg.	Sales.	High.	Low.	Last.	Chg.	Sales.	High.	Low.	Last.	Chg.	Sales.					
15%	3% Long Island Ltg.	15%	14%	15%	-	15%	3%	15%	-	3,000	21	10%	Raym Cone	11%	11%	11%	+ 1%	50	81	4% Wolverine T. (40g)	11%	6%	6%	-	500				
45%	90% Long Island Ltg pf	45%	45%	45%	-	15%	12%	12%	-	225	41	32%	Raym Cone P. (3)	35	35	35	- 2	50	64	4% Woodley Pet. (40)	54%	5%	5%	+ 1%	200				
45%	125% Long Island Ltg B	45%	45%	45%	-	15%	12%	12%	-	225	26%	15%	Rod Bank Mfg.	11%	11%	11%	- 1%	100	65	4% Wright Harg. (40a)	6%	6%	6%	-	14,300				
2%	10% London Pack	15%	14%	15%	-	15%	12%	12%	-	800	15%	15%	Rod Roll Bl.	25%	25%	25%	-	200	105%	4% West Mfg. (20g)	105%	105%	105%	-	200				
75%	10% Louis L & E. (.35g)	75%	55%	55%	-	15%	12%	12%	-	2,800	82%	5%	Reeves (D) (16)	6	6	6	+ 1%	200	87%	4% Roosevelt Field	2%	2%	2%	-	200				
40%	4% Louis F & L 6 pf (6)	105%	105%	105%	+ 1%	15%	12%	12%	-	80	87%	5%	Reeves Aviation	6%	5%	6%	+ 1%	11,400	105%	4% West Oil Co.	15%	15%	15%	-	11,400				
40%	20% Louis Baum pf vtc	25%	25%	25%	+ 1%	15%	12%	12%	-	40	75%	5%	Rheem Mfg. (30a)	19%	19%	19%	-	400	125%	4% West Val Gas vtc.	15%	15%	15%	-	400				
34%	23% Lynch Corp. (2)	25%	25%	25%	+ 1%	15%	12%	12%	-	150	4%	15%	Ride Val Gas vtc.	15%	15%	15%	-	150	105%	4% Rich G & E pf d (6)	105%	105%	105%	-	1,600				
3%	14% MAJESTIC R&T	15%	15%	15%	-	15%	12%	12%	-	1,100	96%	15%	Roch G & E pf d (6)	103%	103%	103%	-	1,100	105%	4% Roemer & Pease (1a)	12%	12%	12%	-	100				
2%	14% Manati Sug war	15%	15%	15%	-	15%	12%	12%	-	100	15%	15%	Roe Cable (10e)	11	11	11	-	200	105%	4% Rome Cable	11%	11%	11%	-	200				
27%	19% Mapes Cons. (2a)	27%	26%	27%	+ 1%	15%	12%	12%	-	300	23%	15%	Rooftop Twp. (16)	2	2	2	+ 1%	100	24%	4% Roosevelt Field	2%	2%	2%	-	100				
5%	24% Marion St Shov	3%	3%	3%	+ 1%	15%	12%	12%	-	400	5%	15%	Rooftop Twp. (16)	2%	2%	2%	-	400	105%	4% Root Pet.	2%	2%	2%	-	400				
2%	22% Mass Util Assn	2%	2%	2%	+ 1%	15%	12%	12%	-	200	71%	5%	Roosevelt Field	56	57	57	+ 1%	300	105%	4% Root Pet.	56%	57%	57%	-	300				
7%	3% Massay-Harris	5%	5%	5%	+ 1%	15%	12%	12%	-	100	71%	5%	Rosemont Ind. (16)	15%	15%	15%	-	100	105%	4% Roset I & S cv pr. (2)	15%	15%	15%	-	100				
25%	12% McW ill Dredg Co.	22%	22%	22%	+ 1%	15%	12%	12%	-	1,000	47%	15%	Roset I & S cv pr. (2)	45%	45%	45%	-	1,000	105%	4% Roset I & S cv pr. (2)	45%	45%	45%	-	1,000				
105%	89% Louis F & L 6 pf (6)	105%	105%	105%	+ 1%	15%	12%	12%	-	80	3%	15%	Ryerson & Haynes	1%	1%	1%	-	800	105%	4% Ryerson & Haynes	1%	1%	1%	-	800				
34%	12% Louis John (3a)	15%	15%	15%	+ 1%	15%	12%	12%	-	25	2%	15%	S&T LAWRENCE	4%	4%	4%	+ 1%	200	105%	4% ST. LAWRENCE	4%	4%	4%	-	200				
5%	34% Mer & M See A. (30g)	35%	35%	35%	+ 1%	15%	12%	12%	-	300	4%	15%	St. Regis Pap.	3%	3%	3%	-	300	105%	4% St. Regis Pap.	3%	3%	3%	-	300				
3%	3% Merritt-C & S	4%	4%	4%	+ 1%	15%	12%	12%	-	300	4%	15%	Saline Dime Oil	1%	1%	1%	-	300	105%	4% Saline Dime Oil	1%	1%	1%	-	300				
1%	3% Mead Iron	5%	5%	5%	+ 1%	15%	12%	12%	-	500	17%	15%	Samsen Unit	1%	1%	1%	-	500	105%	4% Samson Unit	1%	1%	1%	-	500				
1%	3% Mich Biscuit	5%	5%	5%	+ 1%	15%	12%	12%	-	200	1%	15%	Savoy Oil	1%	1%	1%	-	200	105%	4% Savoy Oil	1%	1%	1%	-	200				
2%	1% Michigan Sug	5%	5%	5%	+ 1%	15%	12%	12%	-	100	1%	15%	Sciff Co. (1a)	14	13%	13%	-	200	105%	4% Sciff Co. (1a)	14%	13%	13%	-	200				
2%	2% Mid St P A vic (16e)	4%	3%	3%	+ 1%	15%	12%	12%	-	300	38%	15%	Seaberg Rub.	7%	7%	7%	-	1,300	105%	4% Seaberg Rub.	7%	7%	7%	-	1,300				
1%	1% Mid St P B vtc (10e)	5%	5%	5%	+ 1%	15%	12%	12%	-	300	1%	15%	Selected Ind. cv.	5%	5%	5%	+ 1%	100	105%	4% Selected Ind. cv.	5%	5%	5%	-	100				
10%	52% Mid West Corp	9%	8%	8%	+ 1%	15%	12%	12%	-	3,000	9%	15%	Send Prod. (5%)	55%	55%	55%	+ 2%	2,200	105%	4% Send Prod. (5%)	55%	55%	55%	-	2,200				
6%	25% Mid Off cv pf (14k)	5%	5%	5%	+ 1%	15%	12%	12%	-	50	10%	15%	Sentry S Co.	5%	5%	5%	-	50	105%	4% Sentry S Co.	5%	5%	5%	-	50				
12%	12% Midland St (2)	15%	15%	15%	+ 1%	15%	12%	12%	-	125	10%	15%	Shaw-Denn (275g)	5%	5%	5%	-	2,900	105%	4% Shaw-Denn (275g)	5%	5%	5%	-	2,900				
8%	6% Midwest Abt	15%	15%	15%	+ 1%	15%	12%	12%	-	200	10%	15%	Shaw-P & P (90)	15%	15%	15%	-	1,100	105%	4% Shaw-P & P (90)	15%	15%	15%	-	1,100				
12%	10% Midwest Abt	15%	15%	15%	+ 1%	15%	12%	12%	-	200	113%	15%	Shewrin-Wms (34c)	93%	92%	92%	-	1,100	105%	4% Shewrin-Wms (34c)	93%	92%	92%	-	1,100				
7%	3% Midwest Abt	15%	15%	15%	+ 1%	15%	12%	12%	-	8,600	14%	15%	Shewrin-Wms Can.	10%	10%	10%	-	1,100	105%	4% Shewrin-Wms Can.	10%	10%	10%	-	1,100				
6%	4% Mount Prod. (60)	5%	5%	5%	+ 1%	15%	12%	12%	-	500	110%	15%	Shewrin-Wms pf (5)	11%	11%	11%	-	210	105%	4% Shewrin-Wms pf (5)	11%	11%	11%	-	210				
13%	122% Mount St T & T (7)	13%	13%	13%	+ 1%	15%	12%	12%	-	30	2%	15%	Shewrin-Wms Mfg. (6)	15%	15%	15%	-	50	105%	4% Shewrin-Wms Mfg. (6)	15%	15%	15%	-	50				
12%	6% Mur On Mfg (18)	10%	9%	10%	+ 1%	15%	12%	12%	-	700	10%	15%	Sikes Mfg. (15g)	15%	15%	15%	-	300	105%	4% Sikes Mfg. (15g)	15%	15%	15%	-	300				
17%	6% Mur On Mfg (18)	10%	9%	10%	+ 1%	15%	12%	12%	-	700	10%	15%	Sikes Mfg. (15g)	15%	15%	15%	-	300	105%	4% Sikes Mfg. (15g)	15%	15%	15%	-	300				
1%	1% NACHTHORN P. (5g)	11%	11%	11%	-	15%	12%	12%	-	400	4%	15%	Sole Cons. Oil (2)	2%	2%	2%	-	300	105%	4% Sole Cons. Oil (2)	2%	2%	2%	-	300				
4%	5% Nat Auto Fib (4c)	8%	8%	8%	+ 1%	15%	12%	12%	-	400	4%	15%	Sole Cons. Oil (2)	2%	2%	2%	-	300	105%	4% Sole Cons. Oil (2)	2%	2%	2%	-	300				
4%	5% Nat Bellas Meas	8%	8%	8%	+ 1%	15%	12%	12%	-	900	4%	15%	Sole Cons. Oil (2)	2%	2%	2%	-	300	105%	4% Sole Cons. Oil (2)	2%	2%	2%	-	300				
31%	31% Nat Brew (2)	31%	31%	31%	+ 1%	15%	12%	12%	-	70	4%	15%	Sole Cons. Oil (2)	2%	2%	2%	-	300	105%	4% Sole Cons. Oil (2)	2%	2%	2%	-	300				
17%	10% Nat City Lines (1g)	15%	15%	15%	+ 1%	15%	12%	12%	-	300	4%	15%	Sole Cons. Oil (2)	2%	2%	2%	-	300	105%	4% Sole Cons. Oil (2)	2%	2%	2%	-	300				
47%	33% Nat City Lin. pf (3)	44%	44%	44%	+ 1%	15%	12%	12%	-	50	29%	15%	Sole Cons. Oil (2)	2%	2%	2%	-	300	105%	4% Sole Cons. Oil (2)	2%	2%	2%	-	300				
11%	5% Nat Cont. (1g)	11%	11%	11%	+ 1%	15%	12%	12%	-	3,500	5%	15%	Sole Pipe L. (34g)	5%	5%	5%	-	1,000	105%	4% Sole Pipe L. (34g)	5%	5%	5%	-	1,000				
45%	28% Nat Corp. P. (5g)	26%	26%	26%	+ 1%	15%	12%	12%	-	6,200	6%	15%	Sole Pipe L. (34g)	5%	5%	5%	-	1,000	105%	4% Sole Pipe L. (34g)	5%	5%	5%	-	1,000				
97%	60% Nat P. & L pf (6)	96%	94%	94%	+ 2%	15%	12%	12%	-	700	1%	15%	Sole Pipe L. (34g)	5%	5%	5%	-	1,000	105%	4% Sole Pipe L. (34g)	5%	5							

## Transactions on the New York Curb Exchange—Continued

1939-40 Range.		Sales in 1000s.		Net High. Low.		1939-40 Range.		Sales in 1000s.		Net High. Low.		1939-40 Range.		Sales in 1000s.		Net High. Low.						
High.	Low.	High.	Low.	Last.	Chge.	High.	Low.	High.	Low.	Last.	Chge.	High.	Low.	High.	Low.	Last.	Chge.					
73%	55	N Eng G & E 5s 47	53	64%	63%	64%	-	56	90	N Eng Pow 5s 54	44	99%	98	96%	-	97	70%	Pug Sd P & L 4½s 50 D.	223	95	90%	93½ - 1%
106%	90	N Eng Pow 5s 54	92	100	99	96%	-	94	99%	N Eng Pow 5s 48	104	102	101%	101%	-	99	63½	QUEENS BOR GAS 5½s 52	16	97	96%	97 + %
104%	88%	N Eng Pow 5s 49 A	15	103	102	102	-	14	102	N Eng Pow 5s 48 st	7	102	101%	101%	-	111½	SAFE H W 4½s 79	27	108%	108%	108% + 1%	
106%	101%	N Y & West Lt 4s 2004	1	105	104	105	+ 1%	1	105	N Y & West Lt 4s 50 wa.	20	104½	104½	104½	-	103½	Scripps 5½s 43	3	102%	103%	103% + 1%	
86%	77%	N Y Pen & Oh 4½s 50 wa.	5	104	103	103	+ 1%	5	104	N Y St L & G 4½s 50	24	102½	102	102½	+ 1%	75	Scullin Steel 3s 51	10	66%	66%	66% + 1%	
105%	97%	N Y St L & G 4½s 50	20	104½	104½	104½	-	20	104½	Nor Cal 5s 56	108	98%	98	98%	-	106	Shaw W & P 4½s 67 A.	22	98½	97%	97% + 1%	
108%	100%	Nor Cal 5s 56	24	102½	102	102½	+ 1%	24	102½	Nor Cal 5s 47	3	105½	105½	105½	-	105½	Shaw W & P 4½s 70 D.	23	97%	96%	96% + 1%	
53%	45%	Nor Cal 5s 48 A	7	105½	104½	105½	-	7	105½	Nor Cal 5s 47	7	105½	104½	105½	-	95%	Shaw W & P 4½s 67	66	97%	96%	96% + 1%	
110%	105%	Nor Ind G & E 6s 52	2	106½	106	106½	-	2	106½	Nor Ind G & E 6s 52	105	105½	105½	105½	-	112½	St. E. Co. I. 6s 57	100%	112½	111½	111½ + 1%	
105%	95%	Northeast F P 5s 57	3	105½	105½	105½	+ 1%	3	105½	Northeast F P 5s 57	111½	102	No Cal Ed 3½s 60	102	-	111½	No Cal Ed 3½s 60	27	109%	108%	108% + 1%	
111%	104%	OGDEN GAS 5s 45	6	111%	111%	111%	+ 1%	6	108	Ogdentown 5½s 68	25	108½	107½	108½	-	106	So Cnty Gas Co 4½s 68	10	105½	105	105% + 1%	
109%	97%	Ogdentown 5½s 68	7	108	107½	108	-	7	108	Ogden Pub Svc 4s 62	57	39	So Ind Ry 5s 51	50	-	57	So Ind Ry 5s 51	3	50%	50	50% + 1%	
110%	99%	Ogden Pub Svc 4s 62	25	108½	107½	108½	-	25	108½	Okl Nat Gas 3½s 55	7	107½	107½	107½	-	105½	So'west A Tel 5s 61 A.	3	105½	105	105% + 1%	
107%	103%	Okl Nat Gas 3½s 55	7	107½	107½	107½	-	7	107½	Okl Nat Gas 3½s 55	13	103½	103½	103½	-	108½	So'west Pub S 6s 45 A.	3	107%	107%	107% + 1%	
104%	91%	Okin F & Wat 5s 48	12	103½	102½	103½	+ 1%	12	103½	Okin F & Wat 5s 48	59	47%	Spalding 5s 89	51	-	59	Stand G & E 6s 48	51	51	51	51 + 1%	
104%	98%	PAC COAST P 5s 40	1	100%	100%	100%	-	1	100%	PAC COAST P 5s 40	5	99½	99½	99½	-	74½	Stand G & E 6s 48	290	65	65	65 + 1%	
111%	108%	Pac G & E 6s 41 B	5	108½	108½	108½	-	5	108½	Pac G & E 6s 41 B	9	96	94½	96	+ 2%	74½	Stand G & E 6s 48	266	65	53½	65 + 10%	
108%	98%	Pac G & E 6s 41 B	5	108½	108½	108½	-	5	108½	Pac G & E 6s 41 B	4	112	112	112	+ 2%	74½	Stand G & E 6s 48	334	65	53½	65 + 9%	
113%	109%	Pac F & L 5s 55	4	112	112	112	+ 2%	4	112	Pac F & L 5s 55	250	96%	94	94	-	73½	Stand G & E 6s 57	227	65	53½	65 + 9%	
97%	76%	Pac F & L 5s 55	4	112	112	112	+ 2%	4	112	Park Len Lhd 3s 64	1	43½	43½	43½	-	74	Stand G & E 6s 66	209	65	53½	65 + 9%	
44½	32	Park Len Lhd 3s 64	1	43½	43½	43½	-	1	43½	Pen Cen F & L 4½s 77	41	102½	101½	102	+ 1%	73½	Stand F & L 6s 57	374	65	52½	65 + 10%	
103½	91%	Pen Cen F & L 4½s 77	41	102½	101½	102	+ 1%	41	102½	Pen Cen F & L 4½s 77	15	105½	104½	105½	-	35	15½ Starrett Corp 5s 50	15	22	21	21½ + 1%	
105½	98%	Pen Cen F & L 4½s 77	15	105½	104½	105½	-	15	105½	Pen Cen F & L 4½s 77	27	105½	104½	105½	-	105½	Tex EL 5s 60	45	105½	104½	105½ + 1%	
108½	102%	Pen EL 5s 62	27	105½	104½	105½	+ 1%	27	105½	Pen EL 5s 62	9	109	108	108	-	118½	Tex P & L 5s 62	202	65	53½	65 + 10%	
107½	91%	Pen-Oh Ed 5½s 59	13	107½	106½	107½	+ 1%	13	107½	Pen-Oh Ed 5½s 59	6	108½	107½	107½	-	108½	Tex P & L 5s 56	15	108	107½	107½ + 1%	
109½	102%	Pen Pub S 6s 47 C	6	108½	107½	108½	-	6	108½	Pen Pub S 6s 47 C	10	103½	102½	103½	-	110½	Tide Water P 5s 70 A.	41	101½	100½	101% + 1%	
108%	103%	Pen Pub S 6s 54 D	8	108	108	108	-	8	108	Pen Pub S 6s 54 D	14	110%	110%	110%	-	66½	Twin C R T 5½s 52 A.	49	65½	64½	65 + 1%	
100%	90%	Pen Gas L & C 4s 61 B	25	96½	95½	96½	+ 1%	25	96½	Pen Gas L & C 4s 61 B	62	97½	97½	97½	-	52½	Uhlen & Co 6s 50 4th st.	37	10	9½	9½ + 1%	
100%	92%	Pen Gas L & C 4s 61 D	62	97½	97½	97½	-	62	97½	Pen Gas L & C 4s 61 D	62	97½	97½	97½	-	118½	Unit El J 4s 48	1	118	112	112 + 1%	
115½	105%	Philila Corp 5s 72	14	110%	110%	110%	-	14	110%	Philila Corp 5s 72	76	98	96	98	+ 1%	94	Unit L & P 5½s 74	21	79	77½	77½ + 1%	
98%	76%	Philila Corp 5s 72	76	98	96	98	+ 1%	76	98	Philila Corp 5s 72	88	68	Unit L & P 6s 75	120	-	88	Unit L & P 6s 75	75	75	75	75 + 1%	
101%	95%	Pitts Steel 6s 58 B	1	100½	100%	100½	+ 1%	1	100½	Pitts Steel 6s 58 B	20	85½	85½	85½	-	108½	Unit L & P 5½s 59	117	107½	107½	107% + 1%	
91%	64%	Portland G & C 5s 40	32	87½	85½	86	- 2	32	87½	Portland G & C 5s 40	20	85½	84	85	- 2	93½	Unit L & P 5½s 52	81	91	88½	88½ + 11%	
90%	81%	Portland G & C 5s 40 ct.	20	85½	84	85	- 2	20	85½	Portland G & C 5s 40 ct.	110	85½	84½	85	- 2	119½	Unit L & P 6s 52 A.	6	118½	118½	118½ + 1%	
109½	105%	Potomac Ed 5s 56 E	9	108½	108%	108½	-	9	108½	Power Corp Can 4½s 59 B.	88	65%	87½	88	+ 1%	85	Unit L & P 6s 56 E	26	77½	74	76 - 2	
105%	77%	Power Corp Can 4½s 59 B.	10	88½	87½	88½	+ 1%	10	88½	Pub Svc N J 6s ct.	152	130½	130½	130½	+ 1%	101½	Utah P & L 6s 2022 A.	7	100½	99½	99½ + 2½	
157%	134%	Pub Svc N J 6s ct.	10	88½	87½	88½	+ 1%	10	88½	Pub Svc N J 6s ct.	239	86%	84½	86	- 1%	100½	Utah P & L 4½s 44	7	100	99½	100 - 1%	
100%	75%	Pug Sd P & L 5s 50 C.	92	98½	97½	98½	- 1%	92	98½	Pug Sd P & L 5s 50 C.	92	98½	97½	98½	- 1%	101½	VIRG PUB S 6s 46	19	100%	98½	99 - 1%	

1939-40 Range.		Sales in 1000s.		Net High. Low.		1939-40 Range.		Sales in 1000s.		Net High. Low.		1939-40 Range.		Sales in 1000s.		Net High. Low.					
High.	Low.	High.	Low.	Last.	Chge.	High.	Low.	High.	Low.	Last.	Chge.	High.	Low.	High.	Low.	Last.	Chge.				
103	89½	Virg Pub S 5½s 46 A	21	102½	102½	102½	+ 1%	21	102½	Virg Pub S 5s 50 B.	21	102½	101½	101½	+ 1%	102½	WALDORF-A 5s 54	15	8½	8½	8½ + 1%
102½	87	Virg Pub S 5s 50 B.	15	102½	101½	101½	+ 1%	15	102½	West Pub Svc 6s 44	10	55	53½								

Week Ended

## Transactions on Out-of-Town Markets

Saturday, Jan. 27

TEL. BARBARY 7-4300	TWX CALL NY-1-579
<b>DEAN WITTER &amp; CO.</b>	
14 WALL STREET, NEW YORK	
MEMBERS: NEW YORK STOCK EXCHANGE - SAN FRANCISCO STOCK EXCHANGE DIRECT PRIVATE WIRES	
SAN FRANCISCO PORTLAND HONOLULU SEATTLE LOS ANGELES	

## San Francisco Stock Exchange

Quotations are for week ended Friday, as prepared by the Exchange.

## STOCKS

Sales.	High.	Low.	Last.	High.	Low.	Last.
130 Packard Mot.	\$3 1/4	\$3 1/4	\$3 1/4	210	210	210
205 Penn R. R.	21 1/2	21 1/2	21 1/2	204	204	204
140 Riverside Cr.	4 1/2	4 1/2	4 1/2	120	120	120
55 Consol. Oil.	10 1/2	10 1/2	10 1/2	120	120	120
141 Dist. Bond Co.	10 1/2	10 1/2	10 1/2	120	120	120
103 Doug. Airc.	83 1/2	83 1/2	83 1/2	103	103	103
512 Elec Prod.	10 1/2	10 1/2	10 1/2	100	100	100
50 Emaco D&E	10 1/2	10 1/2	10 1/2	100	100	100
1,010 Exeter Co.	36	36	36	100	100	100
1,010 Exeter Co.						
500 F. & M.	22	22	22	200	200	200
335 Gen. Paint.	24 1/2	24 1/2	24 1/2	200	200	200
120 Cal. Pack.	53 1/2	53 1/2	53 1/2	100	100	100
25 Cal. Wt. S. p. 100	102 1/2	102 1/2	102 1/2	50	50	50
850 Carson-HGM	30	30	30	190	190	190
3,450 Pac. C. Corp.	53 1/2	53 1/2	53 1/2	200	200	200
500 Clevor Chm.	51 1/2	51 1/2	51 1/2	494	494	494
300 CG&E pf 100	108	108	108	25	25	25
212 Consol. Oil.	100	100	100	100	100	100
25 Crk 1st Nat. Oil	290	290	290	1,145	500	500
2,476 Crv Zellbr.	16 1/2	16 1/2	16 1/2	625	625	625
258 Cr. Zeilbr.	91 1/2	91 1/2	91 1/2	100	100	100
560 Comwith Ed.	32 1/2	32 1/2	32 1/2	100	100	100
850 Doernb. Mfg.	54	54	54	100	100	100
2,522 Golden Star	92	92	92	100	100	100
400 Greyhound.	16 1/2	16 1/2	16 1/2	5 City C. & F. pf 97	96	97
248 Hawain Pin	20	20	20	110	110	110
100 Holly Devel.	.75	.75	.75	100 Occar Oli.	.40	.40
55 Home F. & M.	41 1/2	41 1/2	41 1/2	200 Clay P.	.46	.46
180 Honol. Oil.	17 1/2	17 1/2	17 1/2	342 Pac Fin.	.11	.11
222 Hunt. Bros.	17 1/2	17 1/2	17 1/2	80 Pac F. of A.	.12	.12
550 Hunt. Bros.	2.10	2.05	2.05	464 Pac G. & E.	.33	.33
168 Lngdg. B. B.	54	54	54	54 Pac G. & E.	.34	.34
640 Leslie Salt.	43	43	43	200 Pac Indemn.	.34	.34
165 LeTourneau	32	32	32	500 Pac Light.	.49	.49
388 Lib. Mac. & L.	75	75	75	500 Puget Sd. P.	& T.	
2,068 Lockheed	30	29	29	100 Repub. Pet.	.13	.13
300 Magnavox.	.50	.50	.50	100 Repub. Pet.	.24	.24
222 Magna-M. & Co.	9	9	9	100 Repub. Pet.	.34	.34
371 Magna-M. & Co.	13 1/2	13 1/2	13 1/2	100 Rice R. Oil.	.15	.15
3,010 Marconi Mac. & L.	15	15	15	346 Rich. Corp.	.75	.75
735 Nat Auto F.	75	75	75	50 Rich. O war.	1 1/2	1 1/2
1,000 Natomas	10	94	10	725 Robt. M.	.84	.84
13 N. A. I. 6% pf	26 1/2	26 1/2	26 1/2	1,045 Ryan Aero.	.54	.54
375 R. A. O. C. 11%	25	25	25	50 Safetyway S.	.45	.45
74 Occid. Indus.	25	25	25	220 San Ind.	.31	.31
320 Pac. C. A. 1.50	150	150	150	75 Shell Oil.	11 1/2	11 1/2
1,804 Pac. G. & E.	33 1/2	33 1/2	33 1/2	100 Sierra Trad.	.03	.03
1,327 PG&E 6%	34	34	34	2,135 Std. Brands.	.74	.74
1st pf .34	33 1/2	33 1/2	33 1/2			
615 F. G. M. 54%	34	34	34			
222 Gen. Elect.	31 1/2	31 1/2	31 1/2			
885 Pac. L. & P.	49	49	49			
405 Pac. P. Ser.	54	54	54			
785 Pac. P. Sist. pf 200	20	20	20			
73 Pac. T. & F.	131 1/2	132 1/2	132 1/2			
88 Pac. T. & F. pf 152	152	152	152			
229 Parfins.	42	42	42			
10 Philip LDT.	54	54	54			
209 P. & G. pf 100	12 1/2	12 1/2	12 1/2			
1,115 Pur. Indus.	12 1/2	12 1/2	12 1/2			
300 Rayon Inc.	18 1/2	18 1/2	18 1/2			
885 Rel. Petrol.	2.55	2.55	2.55			
944 Resin Corp.	19 1/2	19 1/2	19 1/2			
905 Richf. Oil.	7 1/2	7 1/2	7 1/2			
100 Rich. O. w. 1.50	16	16	16			
225 Ross Bros.	16	16	16			
10 R. B. pf S. 104	104	104	104			
1,102 Ryan Aero.	5	5	5			
355 Safe. 47 1/2	17 1/2	17 1/2	17 1/2			
367 Safe. 75 1/2	67 1/2	67 1/2	67 1/2			
120 Shell Oil Co.	11 1/2	11 1/2	11 1/2			
100 S. O. & G. A.	27 1/2	27 1/2	27 1/2			
370 Sound Pulp	25 1/2	25 1/2	25 1/2			
26 Sound P. pf 100	100	100	100			
60 S. G. Gfpa S.	33 1/2	33 1/2	33 1/2			
144 South Pac.	14 1/2	14 1/2	14 1/2			
132 Spinn. Val.	50	50	50			
3,000 Std. O. & G. 20%	20	20	20			
201 Super Mold.	23	23	23			
312 Tide W. A. O.	10 1/2	10 1/2	10 1/2			
10 T. W. A. pf 95	95	95	95			
4,045 Transamer. 5%	54	54	54			
1,030 U. Oil Calif.	16 1/2	16 1/2	16 1/2			
395 V. A. 5%	4	4	4			
100 Victor Airc.	3	3	3			
300 Vic. Eq. pf.	104	104	104			
70 Waliahu A.	27 1/2	27 1/2	27 1/2			
50 WFB&UT.	300	295	300			
45 West P. & S.	14 1/2	14 1/2	14 1/2			
20 Yet. Ch. CS1	21	21	21			
UNLISTED STOCKS						
103 Am Gas & E.	37 1/2	37 1/2	37 1/2			
674 Am. Stores.	12 1/2	12 1/2	12 1/2			
584 Atl. Refing.	21 1/2	20	20			
95 Baldw. Loco.	15 1/2	15 1/2	15 1/2			
50 Bandini Pet.	14 1/2	14 1/2	14 1/2			
50 Calt. Pack.	23 1/2	23 1/2	23 1/2			
37 Chrysler.	84 1/2	84 1/2	84 1/2			
188 Consol. Oil.	75	75	75			
50 Con. St. L.	100	100	100			
50 Calt. Pack.	54	54	54			
50 Gen. Refrac.	30	30	30			
122 Horn & Hd.	35 1/2	35 1/2	35 1/2			
105 Trunk Prd.	120	120	120			
325 Troxle. Mfg.	28 1/2	28 1/2	28 1/2			
100 Yngtns&T.	41 1/2	41 1/2	41 1/2			
PHILADELPHIA						
103 Am Gas & E.	37 1/2	37 1/2	37 1/2			
674 Am. Stores.	12 1/2	12 1/2	12 1/2			
584 Atl. Refing.	21 1/2	20	20			
95 Baldw. Loco.	15 1/2	15 1/2	15 1/2			
50 Bandini Pet.	14 1/2	14 1/2	14 1/2			
50 Calt. Pack.	23 1/2	23 1/2	23 1/2			
222 Gen. Refrac.	30	30	30			
122 Horn & Hd.	35 1/2	35 1/2	35 1/2			
105 Trunk Prd.	120	120	120			
325 Troxle. Mfg.	28 1/2	28 1/2	28 1/2			
100 Yngtns&T.	41 1/2	41 1/2	41 1/2			
ST. LOUIS						
103 Am Gas & E.	37 1/2	37 1/2	37 1/2			
674 Am. Stores.	12 1/2	12 1/2	12 1/2			
584 Atl. Refing.	21 1/2	20	20			
95 Baldw. Loco.	15 1/2	15 1/2	15 1/2			
50 Bandini Pet.	14 1/2	14 1/2	14 1/2			
50 Calt. Pack.	23 1/2	23 1/2	23 1/2			
222 Gen. Refrac.	30	30	30			
122 Horn & Hd.	35 1/2	35 1/2	35 1/2			
105 Trunk Prd.	120	120	120			
325 Troxle. Mfg.	28 1/2	28 1/2	28 1/2			
100 Yngtns&T.	41 1/2	41 1/2	41 1/2			
NEW ORLEANS						
103 Am Gas & E.	37 1/2	37 1/2	37 1/2			
674 Am. Stores.	12 1/2	12 1/2	12 1/2			
584 Atl. Refing.	21 1/2	20	20			
95 Baldw. Loco.	15 1/2	15 1/2	15 1/2			
50 Bandini Pet.	14 1/2	14 1/2	14 1/2			
50 Calt. Pack.	23 1/2	23 1/2	23 1/2			
222 Gen. Refrac.	30	30	30			
122 Horn & Hd.	35 1/2	35 1/2	35 1/2			
105 Trunk Prd.	120	120	120			
325 Troxle. Mfg.	28 1/2	2				

# OPEN MARKET FOR UNLISTED SECURITIES

These quotations are for bankers, brokers and dealers and are accepted for publication as actual markets. The number at the left of a quotation identifies it with the name of the firm in the index making the market. Prices are as of close of business on Monday.

## Industrial Stocks

Key.	Bid.	Offer.
Alabama Mills	214	3
American Arch	372	40%
Am Cyanamid cv pf.	1212	12%
Am Dist 5% cum pf.	24	3%
Amer Enka	40%	43%
American Hardware	223	48%
American Maize	23	26
American Mfg. pt.	72	77%
Argo Oil	14%	14%
Arlington Mills	27	30
Armstrong Rubber	52	58%
Art Metal Construction	171	19%
Autocar Co.	81	9%
Botany Worsted M. A.	2	3
Bunny Worsted \$1.25 pf.	3%	4%
Buckeye Steel Cast.	19%	21
Chilton Co.	3	3%
Coca-Cola Bottling N. Y.	68	72
Columbia Baking	10	10
Columbia Bak \$1 cum pf.	20%	22%
63 Compex Shoe Mach conv	50%	52%
Cone Aircraft \$3 cv pf.	61%	65%
Crowell Collier	24%	26%
Cuban At Sugar	8%	10

We invite inquiries in  
Milwaukee & Wisconsin issues

**LOEWI & CO.**  
MILWAUKEE  
TELETYPE  
DALY 5392 ★ MILW. 488

Dentists Supply	600/2	621/2
Devoe & Raynolds B.	21	23
Dictaphone Co.	341/2	371/2
Dixon (J) Crucible	28	32
Domestic Finance pf.	28%	31%
Draper Corp.	771/2	80%
East Sugar Assoc.	91/2	10%
East Sugar Assoc pf.	27%	29%
Edsel Eng & Air.	4%	5%
Farmworth Tel. & Radio	2%	4%
Fashion Park Assoc	8	10
Follansbee Bros n pf.	171/2	19
Foundation Co.	21/2	3
Foundation (Foreign)	1/2	1
Garlock Pkg.	511/2	531/2
Genl Machinery Corp.	19	201/2
Gilmore-Klewin Mch Tool	251/2	261/2
Good, Inc.	31/2	4%
Graton & Knight	37/2	5%
Graton & Knight 7% pf.	48	50
Great Lakes S. S.	38	401/2
Great Northern Paper.	421/2	461/2
Harrisburg Steel	8%	10

## Bank Stocks

Boston:	Trade	Underwriters Trust	United States Trust
First National	461/2	49	395
Merchant National	70	75	110
National Rockland	251/2	271/2	140
State National	140	150	300
State Street Trust	104	121/2	141/2
U.S. Trust	141/2	161/2	471/2
U.S. Trust pf.	141/2	161/2	521/2
Webster & Atlas	9	11	574

## Chicago:

Am National Bank Tr.	200	220
Cont'l Ill Bk & Tr.	90	92
First National	250	286
Harris Trust & Sav.	299	309
Northern Trust	561	574

## Milwaukee:

65 Marine Natl Exch Bank	42	44
65 Marshall & Ilsley Bank	21	23

## New Haven:

First Nat B. T.	33	36
N Haw Bk N B A.	59	61
Second Nat Bk.	74	77
U & N H Tr Co.	102	107

## New York City:

Bank of Manhattan Co.	171/2	18%
Bank of New York	40	50
Bank of N.Y. Trust	428	43%
Bankers Trust	571/2	591/2
Bronx Trust	4%	5%
Brooklyn Trust	51/2	53%
Central Hanover B & T.	1041/2	1071/2
Chase National	34%	36%
Chemical Bank & Trust	51	53
Clinton Trust	30	38
Colonial Trust	10	12
Commercial National	181	187
Commodity Trust	141/2	16
Corn Exchange Bk Tr.	55	56
Empire Trust Co.	12	13
Fifth Avenue National	715	745
First National	1920	1950
Fulton Trust	298	303
Guaranty Trust	121/2	131/2
Irving Trust	29	30
Kings County Trust	1600	1640
Lawyers Trust	29	32
Manufacturers	394	41%
Manufacturers cum pf.	52	54
Merchandise National	108	118
National Bronx	40	44
National City	291/2	30%
National Safety	111	114
New York Trust	111	114
Penn Exchange	14	15
Public National	311/2	33%
Sterling National	27	29
Title Guarantee	31/2	41/2

## San Francisco:

Bank of America N T S.	35	37
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## KEY AND INDEX

The number at the left of the firm name identifies it with the corresponding number in the listings.

OW—Offerings Wanted. BW—Bids Wanted.

63 Stiefel, Nicolaus & Co., Inc., 105 W. Adams St., Chicago, Ill. State 5770

65 Loewi & Co., 225 E. Mason St., Milwaukee. Ph. Daly 5392. See Above.

## Management

Administrative Fund 2d.	12.01	12.78
Affiliated Fund	3.40	3.73
Amerex Holding Corp.	15%	14%
America Genl Equities	.34	.39
Axe-Houghton Fund A.	119.09	20.53
Broad St Inv Co Inc.	15.47	16.63
Bullock Fund	23.88	25.54
Canadian Fund	3.35	14%
Century Shares	3.95	3.95
Supervised Shares	25.00	27.31
Chartered Investors	.54	11
Chartered Investors pf.	10.58	11.43
Chemical Fund	9.45	10.33
Commodity Corp cap.	10.50	10.33

## Public Utility Stocks

Key.	Bid.	Offer.
Hearst Consol Pub pf.	6	61/2
Interstate Bak.	11/2	21/2
Kidron Mining	1/2	3%
King Seeley	82	97%
Leland Frary & Clark	271	291/2
Lawrence Portland Cem't	14	161/2
Ley (F T)	1	11/2
Long-Bell Lum conv pf.	45%	50%
Mallory (P R) & Co.	10%	11%
Marlin Rockwell	43%	45%
McKesson & Robbins	10%	11%
McKesson & Robb cv pf.	181/2	191/2
Merch & Co.	48%	48%
Merch & Co 6% pf.	116	116
Muskogee Piston Ring	15%	17%
National Casket	15	17
National Paper & Type	34	41%
Nat'l Pap & Lng 5% pf.	191/2	221/2
New Brit. Machine	321/2	341/2
Norwich Pharmacal	171/2	181/2
65 Nunn-Bush Shoe	111/2	13
(with warrants)	95	99

## Public Utility Stocks

Key.	Bid.	Offer.
Alabama Power pf.	1054	1061/2
Am Dist Tel of N J pf.	101	108
Arkansas Power & Lt pf.	1154	1171/2
Atlantic City Elec pf.	110	110
Bell Tel of Canada	134	138
Bell Tel of Pa.	123	141/2
Birmingham Elec 7% pf.	82	83/2
Buffalo & Erie Pf.	215	221/2
Carolina Pw & Lt pf.	95	96
Carolina Pw & Lt pf.	100	104
Consolidated Traction	59%	59%
Concord Tel & Tel pf.	52	57
Dallas Power 6% pf.	111/2	115/2
Derby Gas & Elec pf.	50	54
Eliz'town Con G	110	115
Emp & Bay State Tel	45	45
Franklin Tel & Tel	1054	1061/2
Gen Tel Allied pf.	1054	1061/2
Idaho Power 6% pf.	111/2	115/2
Inter Ocean Tel & Tel	73	73
Interstate Nat Gas	23	25
Interstate Power & Lt	1054	1061/2
Jersey Central Tel & Lt	7	7
Kansas G & E 7% pf.	1161/2	1191/2
Kings Island Light 7% pf.	48	47%
Miss L & L pf.	841/2	86
Miss River Pw & Lt pf.	118	121/2
Mo Kan Pipe Line	118	121/2
Mountain States Pwrf.	78	82
Mountain St Tel & Tel	137	141
Nassau & Suffolk 7% pf.	34	35%
Nebraska Power 7% pf.	1154	1181/2
New England Pwrf. in Pa	65	67
New Eng P 8% pr in Pa	65	67
New Eng P 8% pf.	67	71
New Orleans Pub Serv pf.	105	128%
N Y Pwr & Lt pf.	106	108
N Y Mutual Tel & Tel	118	118
North'n States Pwrf. 7% pf	78	80%
Ohio Edison 6%	110	111%
Ohio Edison 37 pf.	115	1161/2

## Public Utility Stocks

Key.	Bid.	Offer.
ARKANSAS:		
63 Little Rock Water Rev 4s	1950-62	OW
MICHIGAN:		
63 Detroit non-callable 51/2%	1943-47	OW
MISSOURI:		
63 Atchison Co Bridge Rev 41/2%, 1958	101	
Municipal Bonds		
Key.	Bid.	Offer.
ARKANSAS:		
63 Little Rock Water Rev 4s	1950-62	OW
MICHIGAN:		
63 Detroit non-callable 51/2%	1943-47	OW
MISSOURI:		
63 Atchison Co Bridge Rev 41/2%, 1958	101	
Canadian Bonds		
Key.	Bid.	Offer.
PROVINCIAL ISSUES:		

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